Sun International

GROUP AND COMPANY AUDITED FINANCIAL STATEMENTS

for the year ended 31 December 2022

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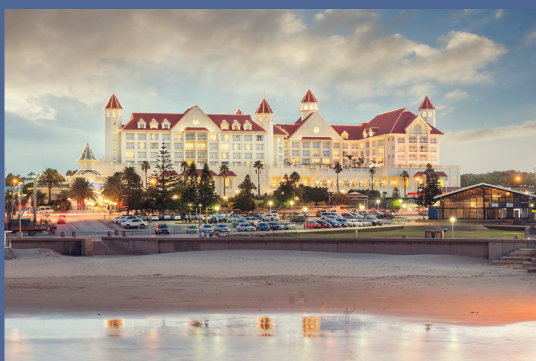

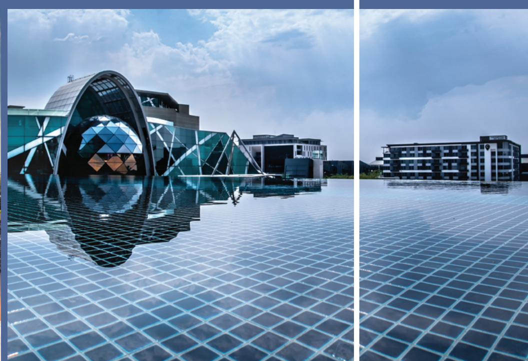

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 December 2022

Dear stakeholders

I am pleased to present the report of the Sun International Limited ("group") audit committee ("the committee") for the year ended 31 December 2022. The committee assists the board in fulfilling its responsibilities regarding the group's corporate and financial reporting, internal controls, risk management, as well as assessing the independence and effectiveness of the external auditors. This is supplemented with the statutory duties set out in the Companies Act 71 of 2008, as amended (Companies Act). The committee performs the requisite statutory functions on behalf of all subsidiaries within the group and reports to these subsidiary boards confirming the performance of its duties each year.

Main objective: Exercising independent judgement and assisting the board in discharging its duties

Committee purpose: • enhances the credibility of financial reporting • ensures an effective control environment is maintained by supporting the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and controls, risk management and the integrity of financial statements and reporting • reviews activities of the internal audit function and the external auditor • oversees effective governance of the group's financial results

Key role and responsibilities to achieve main objective/purpose:		
Financial statements	Independence, skills and expertise of the external auditors	Internal control and internal audit
Financial accounting and reporting developments	Combined assurance	Legal, regulatory and compliance
External reporting		Risk management and IT

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Compliance with relevant statutory requirements and codes in performing keys roles and responsibilities:		
South African Companies Act	JSE Listings Requirements	King Report on Corporate Governance for South Africa, 2016 ("King IV™1 ")
International Financial Reporting Standards ("IFRS")	Institute of Internal Auditors ("IIA")	

Composition, meetings and evaluations

The committee comprises of three independent non-executive directors and meets at least three times a year, as per the committee's mandate and terms of reference. The Sun International chief executive, chief financial officer, chief operating officer, director of internal audit, the external auditor and other responsible heads of department (group tax manager and group finance manager) attend meetings by invitation. The committee chairman engages regularly with management on material matters and the external auditors have direct access to the committee.

Members	March 2022	August 2022	November 22
Peter Bacon[1]	1	–	–
Enrique Cibie[2]	1	1	1
Caroline Henry (chairman)	1	1	1
Sindi Mabaso-Koyana	1	1	1
Zimkhitha Zatu Moloi	1	–	1
Right of attendance			
Anthony Leeming (CE)[†]	1	1	–
Muxe Mambana[†]	1	1	1
Norman Basthdaw (CFO)[†]	1	1	1
Graham Wood (COO)[3†]	–	1	1

1 Shareholders were advised on 22 November 2021 that in accordance with paragraph 3.59 of the JSE Listings Requirements, Peter Bacon decided that he would retire from Sun International's board effective 31 March 2022, and is no longer a member of the audit committee.
2 Shareholders were advised on 22 November 2022 that in accordance with paragraph 3.59 of the JSE Listings Requirements, Enrique Cibie decided that he would retire from Sun International's board effective 31 December 2022, and is no longer a member of the audit committee.
3 With effect from 25 August 2022, Graham Wood attends audit committee meetings by right of attendance.
† Executive

The committee members have the necessary financial literacy, skills and experience to discharge their duties effectively. The committee's terms of reference prescribe that, as part of the board's review of the committee's performance and effectiveness, that the committee's activities and effectiveness should be assessed periodically by self-evaluation. The last internal self-evaluation was conducted towards the end of 2022, and reflected the committee was performing its functions effectively, with limited areas for improvement. The director of internal audit as well as the internal audit team are sufficiently independent of the activities they audit. Internal Audit have sufficient resources to satisfy their terms of reference and to adequately deliver the services outlined in its internal audit plan within the time frames identified. The next internal self-evaluation will take place at the end of 2024.

The nomination committee and board recommended the re-election of Caroline Henry, Sindi Mabaso-Koyana and Zimkhitha Zatu Moloi as members of the Sun International audit committee at the AGM to be held on 9 May 2023.

Key role and responsibilities

The committee has executed its duties and responsibilities pursuant to section 94 of the Companies Act and its responsibilities as set out in paragraph 3.84(g) of the JSE Listings Requirements and in keeping with the recommendations of King IV™. This is in addition to the supplementary responsibilities prescribed by our mandate and terms of reference, as approved by the board. Our key areas of responsibility are tabled below, together with the relevant compliance codes, legislation and standards. Looking ahead, the focus areas of the committee are included in the corporate governance report.

Financial statements and accounting policies

The committee assessed the group and company accounting policies and the group and company annual financial statements for the year ended 31 December 2022. The chief executive and chief financial officer's responsibility statement confirm that the company and the group's' annual financial statements are a complete and an accurate reflection of the group's financial performance as well as confirmation that adequate and effective internal controls are in place. To the extent that there are internal control deficiencies, adequate steps have been taken to remedy these deficiencies.

The committee oversaw the group's integrated reporting process and assessed the disclosures made to all stakeholders, which included the annual financial statements for the year under review. The committee continues to review reports presented by the JSE regarding its proactive monitoring process.

The committee satisfied itself as to the establishment of appropriate financial reporting procedures and that those procedures are operating. This included consideration of all entities included in the consolidated group IFRS financial statements, to ensure that the audit committee has access to all the financial information of Sun International to allow Sun International to effectively prepare and report on company and the group's annual financial statements.

The committee recommended the audited company and group annual financial statements to the board for approval, which the board subsequently approved, these annual financial statements will be presented to shareholders at the AGM to be held on 9 May 2023.

The committee confirmed that no reportable irregularities were identified and reported by the external auditors for the financial year ended 31 December 2022 in terms of the Auditing Profession Act 26 of 2005.

At the committee meetings held during August 2022 and November 2022, the committee considered the reports of the external auditor and internal audit. It concluded that there was no reason to believe that any material breaches of financial reporting procedures occurred group-wide that warranted the attention of the board or shareholders.

External audit – appointment, independence, fees and services

The committee is responsible for determining that the external audit firm and designated individual auditor have the necessary independence, experience, qualifications and skills, and that the audit fees and non-audit fees are reviewed and approved.

In accordance with the Independent Regulatory Board for Auditors' ("IRBA") rule regarding mandatory audit firm rotation, the audit committee recommended and the board endorsed the proposed appointment of Deloitte & Touche to replace PricewaterhouseCoopers Inc. ("PwC") as the new external auditor of Sun International for the financial year commencing on 1 January 2022, with Ms Carmeni Naidoo Bester as the designated individual auditor.

In considering Deloitte & Touche's re-appointment FY2023, the audit committee (following consultations with Deloitte & Touche in this regard) had received and satisfied itself regarding the required information detailed in paragraph 22.15(h) of the JSE Listings Requirements in their assessment of the suitability for the appointment of Deloitte & Touche and the designated audit partner for the financial year commencing on 1 January 2023.

The committee is satisfied that Deloitte & Touche is independent, which review included the extent of non-audit work undertaken by Deloitte & Touche for the group for the year ended 31 December 2022 and compliance with criteria relating to independence or conflicts of interest, as prescribed by IRBA and other international bodies. The requisite assurance was also sought and provided by Deloitte & Touche, that internal governance processes within the audit firm support and demonstrate its claim to independence.
A formal policy governs the process whereby Deloitte & Touche is considered for non-audit services. The audit committee determines the nature and extent of non-audit services that Deloitte & Touche can provide and pre-approves all permitted non-audit assignments by Deloitte & Touche.

The re-appointment of Deloitte & Touche will be put to the shareholders of Sun International at the AGM scheduled for 9 May 2023.

The committee, in consultation with executive management, agreed to the terms of the 31 December 2022 Deloitte & Touche audit engagement letter, the audit plan and budgeted audit fees. Refer to note 4 in the annual financial statements disclosing audit fees and fees for non-audit services.

Significant accounting matters

Tax and deferred tax asset assessment

There was a review of the tax status of the group.

IAS 12.34 allows for a deferred tax asset to be recognised for an unused tax loss carry forward or unused tax credit, only if it is considered probable that there would be sufficient future taxable profit against which the loss or credit carry forward can be utilised. At every reporting period, management assess the recoverability of deferred tax assets recognised associated with past and current assessed losses. At year end management performed this assessment. The group recognised the majority of the deferred tax assets relating to the 2022 year's losses. Refer to the independent auditor's report for a detailed description of the key audit matters.

SunWest put option liability valuation

In terms of the restructure agreements of the group's Western Cape assets, a put option has been given to Tsogo Sun in the event that any party acquires 35% or more of the issued ordinary shares of Sun International, triggering a change of control of the company. The Western Cape assets include Worcester and SunWest. In terms of the put option, Tsogo Sun may elect to put its equity interests (20%) in the Western Cape assets to Sun International. Sun International can elect to either settle the put by the issue of Sun International shares or in cash. A liability has been raised of R974 million (31 December 2021: R464 million) in this regard. The adjustment of R510 million is recorded in profit and loss. The liability is calculated in accordance with the terms of the put option agreement, effectively a 7.5 times adjusted EBITDA multiple valuation of the Western Cape assets, less net debt, times the 20% shareholding which Tsogo Sun holds. The procedures performed on the key audit matters noted above have been discussed and agreed with management and presented to the audit committee. The audit committee has satisfied itself that the procedures performed are adequate and appropriate.

Governance of risk

During the period under review, the risk committee chairman attended committee meetings as an ex-officio member, while the committee's chairman is a standing member of the risk committee. This provides the audit committee with oversight of the group's risk management function, including the risks relating to operational, financial reporting, fraud, internal control, information technology ("IT") governance and compliance, among others.

Combined assurance

Sun International's combined assurance strategy and framework objective is to ensure optimal, cost-efficient and focused assurance coverage across the group. Our hybrid top-down and bottom-up approach ensures adequate assurance on key business risks and processes is obtained.

The group's four lines of defence model is used as a basis for risk management, governance and oversight structures to obtain assurance at various levels group-wide. The group's combined assurance model is robustly evaluated by management, the risk committee and the audit committee during the year. Sun International's combined assurance framework provides comfort to the board that adequate assurance is provided for the mitigation of key risks across the group.

Successful assurance enhances the degree of confidence that the control environment is functioning effectively, to mitigate material risks and promote the achievement of group-wide objectives. The group's combined assurance model is designed such that the level of assurance required is dependent on the level of risk assessed, taking into account inherent risk and risk appetite. The assurance quality provided by the various assurance providers depends on factors such as nature, timing and extent of assurance activities as well as the assurance provider's level of independence, skill and qualifications. Sun International's assurance strategy is tailored so that the higher the level of risk, the higher the level of assurance required.

Refer to combined assurance lines of defence in the risk management section.

Group Internal Audit ("GIA") – independence, effectiveness, adequate resources

The committee is mandated to ensure that the internal audit function is independent, properly resourced and effective. The independence and resources of GIA are evaluated annually by the committee. The effectiveness of GIA is assessed by the committee every two years and will take place again during 2024. External independent quality assurance reviews on internal audit work are performed every five years; GIA achieved the highest rating of "Generally Conforms" at the latest review performed in July 2021.

The purpose, authority and responsibilities of GIA are formally defined in an internal audit charter, which is reviewed and approved by the committee annually. GIA is designed to maintain an appropriate degree of independence from management, to render impartial and unbiased judgements in performing its services. GIA evaluates the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of assets; and
- Compliance with laws, regulations, policies, procedures and contracts.

The director of internal audit is accountable to the audit committee chairman and reports administratively to the chief executive and the chief financial officer of Sun International. GIA is functionally independent from the activities audited and the day-to-day internal control processes of the organisation. GIA provides management and the committee with independent evaluations and examinations of the group's activities and resultant business risks.

The director of internal audit reports at audit and risk committee meetings and has unrestricted access to the chairmen of these committees, with whom he meets independently of management several times during the year. The appointment or dismissal of the director of internal audit requires consensus from the audit committee. The internal audit director also attends the social and ethics committee meetings to provide feedback on audits and investigations considered relevant to the social and ethics committee's work.

Internal financial controls

The board of directors is responsible for the group's internal financial controls systems. These systems are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the audited consolidated annual financial statements.

The systems safeguard, verify and maintain accountability of group assets, as well as detect and minimise significant fraud, potential liability, loss and material misstatement while complying with the applicable laws and regulations. The board tasked the committee to oversee the testing of the group's internal financial controls.

The committee confirms that GIA has adequately tested the group's internal financial controls to provide the board with positive assurance on the key areas of the group's internal financial controls.

The committee is of the opinion, having received the written assurance provided by GIA, that the group's systems of internal financial controls, in all key material aspects, are effective and provide reasonable assurance that the financial records may be relied upon for the preparation of the audited consolidated annual financial statements. The committee has noted the reclassifications and a prior period error in the financial statements of the group which have no impact on the current or past earnings of the group. The committee has received assurance from management that adequate controls have been put in place to prevent reoccurences of this matter. Appropriate steps have been taken to remedy the deficiencies in operational design and effectiveness of internal financial controls.

Internal controls

The controls throughout the group concentrate on all risk areas the group is exposed to. These risk areas are closely monitored by management and subject to GIA and other assurance providers reviews in line with the group's combined assurance framework. GIA is of the opinion that the group's internal controls, governance and risk management processes are adequately designed and effectively implemented to support the achievement of the group's strategic objectives.

Evaluation of the expertise and experience of the chief financial officer and the finance function

The committee satisfied itself that the expertise and experience of the chief financial officer, Norman Basthdaw, is appropriate. The committee also satisfied itself that the expertise and resources within the finance function are appropriate, as is the experience of the senior members engaged to perform the financial responsibilities within the group. Management is focused on ensuring adequate capacity and appropriate succession.

Going concern

Based on the results of the committee's assessment of the going concern, the committee believes that no material uncertainties existed to impact the group's going concern and was comfortable in recommending to the board that the group will be a going concern for the next financial year, and that the going concern basis of accounting was appropriately applied.

Conclusion

The committee, having fulfilled its responsibilities, has recommended the audited group and company annual financial statements for the year ended 31 December 2022, for approval by the board of directors.

CM HENRY
Chairman

10 March 2023

CHIEF EXECUTIVE AND FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

for the year ended 31 December 2022

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

(a) the annual financial statements set out on pages 01 to 114, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

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

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

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

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

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

AM LEEMING
Chief Executive

N BASTHDAW
Chief Financial Officer

10 March 2023

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2022

To the shareholders of Sun International Limited

I certify that, to the best of my knowledge and belief, the company has lodged with the Companies and Intellectual Property Commission, all such returns required of a public company in terms of the Companies Act, No. 71 of 2008, as amended, in respect of the financial year ended 31 December 2022 and that all such returns are true, correct and up to date.

AG JOHNSTON
Company secretary

10 March 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Sun International Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Sun International Limited (the group and company) set out on pages 18 to 114, which comprise the consolidated and separate statements of financial position as at 31 December 2022, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Sun International Limited and its subsidiaries as at 31 December 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

<table>
<tr><th colspan="2">Assessment of Sunwest International (Pty) Ltd control (Group)</th></tr>
<tr><th>Key Audit Matter</th><th>How the matter was addressed in the audit</th></tr>
<tr><td>The Group holds an investment in Sunwest International (Pty) Ltd ("Sunwest") with two other shareholders and the Group holding the majority voting and economic rights in Sunwest in excess of 50%. As disclosed in the "Critical accounting judgements" in the notes to the Group Financial statements, the control of Sunwest is disclosed as a critical judgement as the Directors applied critical judgement in assessing whether the Group has control of Sunwest based on the relevant activities being:

The day-to-day operations

1. The procurement of slots and tables and games
2. The gaming system approved by the Western Cape Gambling Board ("WCGB")
3. The Customer Loyalty programme which has been developed and rolled out by the Group
4. The promotions and marketing to drive footfall to the casino
5. The payment of gaming levies to the regulator

Accordingly, for the purposes of our audit, we identified the assessment of the control of Sunwest as a key audit matter to our audit due to the judgement made by the Directors in the determination of the relevant activities of the operations of Sunwest and how they apply their power to direct the relevant activities based on the management agreement in place between Sunwest and Sun International South Africa Limited (SISA).</td><td>In evaluating the assessment of Sunwest control and the critical judgement made by the Directors we performed various procedures, including the following:

■ Obtaining and reading the relevant documents relating to:
– the voting rights held in terms of the shareholders agreement;
– the thresholds for directors resolutions in terms of the memorandum of incorporation ("MOI") of Sunwest; and
– the relevant activities that SISA directs in terms of the management agreement between SISA and Sunwest;
■ Evaluating the legal opinion the Directors received from their legal advisors;
■ Engaging our internal legal specialists to interpret the legal substance of the MOI, shareholders agreement and management agreement to assess whether the Group has control of Sunwest from a legal perspective;
■ Considering the relevant guidance in the application of IFRS 10: Consolidated financial statements ("IFRS 10") from a legal perspective to assess whether the Group has control in terms of the legal agreements of the MOI and the shareholders agreement;
■ Inquire from and critically evaluate matters from discussions with the Executive team of the Group to determine the relevant activities of Sunwest to assess whether the Group has control over these relevant activities and ultimately control Sunwest;
■ Consulting with our IFRS specialists on the application of IFRS 10 on whether these relevant activities are appropriate and determining whether the relevant activities of Sunwest are controlled by the Group;
■ Performing detailed research around the subjectivity of determining what the relevant activities of the investee are to operate a casino;
■ Evaluating the contradictory evidence to the critical judgment made by the Directors in their determination of the relevant activities of the investee; and
■ Reviewing the disclosure in the consolidated financial statements made by the Directors in the determination of their assessment of control.

Based on our work performed and the critical judgement disclosure in the consolidated financial statement the control of Sunwest is appropriate. We consider the critical judgement disclosures to be appropriate.</td></tr>
</table>

Accounting treatment of Vacation Club Revenue and Contract liability (Group)	
Key Audit Matter	**How the matter was addressed in the audit**
The Group sells timeshare at the Sun City Vacation Club with a contract period of either five or ten years. The performance obligation is over the duration of the individual contract periods and the performance obligation is discharged when the customer takes occupation of the unit. As disclosed in notes 1 and 26 the value of the contract paid upfront by the customer at the commencement of the contract is recognised as a contract liability in terms of IFRS 15: Revenue with contract to customers ("IFRS 15"). As part of our audit, it was noted the accounting treatment of the revenue recognised over the contract period was not in compliance with IFRS 15 as to when the performance obligation of the contract is met. Accordingly, for the purposes of our audit, we identified the accounting treatment of the Vacation Club as a key audit matter based on the audit effort and complexity around the accounting system not being IFRS 15 compliant and the level of manual intervention to address the contract liability as at 31 December 2022 of R623 million and the Vacation Club revenue recognised for the year of R122 million.	In evaluating the accounting treatment of the Vacation Club revenue included in Revenue and the Contract liability we performed various procedures, including the following: ■ Obtaining a detailed understanding of the operational business process of the Vacation Club and the related accounting treatment; ■ Obtaining a listing of all contracts since inception and comparing this independently to the number of members in the Vacation Club Association as at 31 December 2021; ■ Selecting a sample of new contracts for the year ending 31 December 2022 and identifying the contract terms, occupation dates, any amendments and the resultant recognition of revenue or deferral to when the performance obligation is discharged at a later date; and ■ Reviewing the disclosure in the consolidated financial statements of the Vacation Club revenue as disclosed in the Contract Liability and related notes. Based on our procedures performed and our assessment of the difference in opinion with regards to the recognition of the Vacation Club revenue and Contract Liability, we have concluded that the matter does not give rise to a material misstatement of the consolidated financial statements. We consider the Vacation Club revenue and Contract Liability disclosures to be appropriate. Please refer to note 31 of the consolidated financial statements.

Recoverability of deferred tax assets raised on assessed losses (Group)	
How the matter was addressed in the audit	**How the matter was addressed in the audit**
The Group recorded a deferred tax asset of R788 million relating to assessable losses as disclosed in note 8 of the consolidated financial statements. A deferred tax asset is recorded to the extent that it is probable that taxable profit will be available against which the deductible temporary difference or unused tax losses can be utilised. In assessing the future taxable income, the directors have made estimates based on assumptions in relation to the future taxable income of the relevant subsidiaries within the Group the assessed losses are attributable to. Accordingly for the purpose of the audit, due to the significant estimation and uncertainty related to the cash flows, the assessment of the recoverability of the deferred tax asset on assessed losses is a matter of most significance to the current year audit and has been determined as key audit matter.	In evaluating the assessment of the recoverability of the deferred tax assets raised on assessable losses, we performed various procedures, including the following: ■ Obtaining the approved budget and five-year forecast from the Directors used to support the future taxable income; ■ Testing the mathematical accuracy and logic of the budget calculations; ■ Comparing the forecasted taxable income in the previous year with the actual performance of the current year; ■ Assessing the budgeting techniques and accuracy thereof by comparing the prior year budget to the current year budget to assess for material discrepancies in the forecast and considered relevant contradictory evidence in the forecasts used taking into account the impact of Covid 19 on the business and to Pre-Covid 2019 results; ■ Challenging the Directors' assumptions in the approved budgets; ■ Performing an independent analysis of inputs and assumptions used and independently recalculating the budget; ■ Performing a sensitivity analysis on the Directors' forecasts and budgets considering the impact of changes to key inputs; and ■ Evaluating the adequacy of the disclosures in the consolidated financial statements on the expected recoverability of the deferred tax assets relating to the assessable losses. Based on our procedures performed above, the inputs and assumptions used in the recognition of the deferred tax asset on the assessable losses, as well as the disclosures of the amounts related to the deferred tax asset on assessable losses appears appropriate.

Valuation of the financial guarantee liabilities (Company)	
Key Audit Matter	**How the matter was addressed in the audit**
The Group operates with debt which is managed by a Treasury company within the Group. As a result of the structure the Company acts as a guarantor for certain of its subsidiaries' borrowings which includes the borrowings as disclosed in note 25 in the consolidated financial statements: ■ R5.0 billion term facilities; ■ R500 million revolving credit facility ■ the R2.0 billion unutilised short-term banking facility As disclosed in the accounting policy note in the separate financial statements, the financial guarantee contract is accounted for as a financial instrument and is recorded initially at fair value and subsequently at the higher of the amount determined in accordance with the expected credit loss model ("ECL") or the amount initially recognised (fair value) less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15: Revenue from contracts with customers. The initial fair value and subsequent measurement at the expected credit loss model ECL value, is determined based on the probability of the subsidiaries defaulting on their obligations, the loss given default and the increase in credit risk, which involves judgement. The Directors make use of an external expert to value the guarantee and ECL and apply assumptions in order to measure the fair value and ECL of the financial guarantee liability associated with these facilities. One of the key judgements made by management relates to the proportionate share of the financial guarantee liability that has been recognised by Sun International Limited company in relation to the guarantee made in their capacity as being joint and severally liable for the debt. Accordingly, for the purposes of our audit, we identified the valuation of the guarantee and the ECL as a key audit matter due to the critical judgements made in determining the probability of default, the loss given default and the extent of any changes in the credit risk since the business has changed since Covid.	In evaluating the accounting treatment of the valuation of the financial guarantee liabilities (including the valuation of the expected credit loss) we performed various procedures, including the following ■ Evaluating the expert used by the Directors in terms of their competence, independence and objectivity; ■ Attending meetings with the expert to critically evaluate the assumptions; ■ Evaluating the scope of the independent valuers' work and reviewing the terms of the engagement to determine that there were no matters that affected their independence and objectivity, or inappropriately limited the scope of their work; ■ Evaluating the appropriateness of the valuation model with the assistance of our internal valuation specialists by comparing the model to industry norms and the requirements of IFRS 9: Financial Instruments; ■ Challenging the assumptions of the credit risk and staging of the debt used in the valuation model; ■ Evaluating the appropriateness of the assumptions used in the valuation model consisting of the probability of default, the loss given default and the increase in credit risk by comparing historical data and forward looking information; ■ Recalculating the fair value of the financial guarantee liability and the ECL and comparing our recalculated value to the valuation performed by the Directors' expert; ■ Evaluating the proportionate allocation of the ECL that was judgementally determined and recognised by Sun international Limited, by considering the correlation matrix applied by the entity; and ■ Reviewing the disclosure in the separate financial statements. Based on our procedures performed above, the inputs and assumptions used in the valuation of the financial guarantee liability and the disclosures appears appropriate.

Other Matter

The consolidated and separate financial statements of the Group and Company for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on those statements on 14 March 2022.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Group and Company Audited Financial Statements for the year ended 31 December 2022", which includes the Directors' Report, the Report of the Audit Committee, the Company Secretary's Certificate as required by the Companies Act of South Africa, and the Chief Executive and Financial Directors Responsibility Statement which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of Sun International Limited for 1 year.

DocuSigned by:
Deloitte & Touche
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DELOITTE & TOUCHE
Registered Auditors

Per: Carmeni Naidoo Bester
Partner
13 March 2023

5 Magwa Crescent
Waterfall City
Midrand
2090
South Africa

DIRECTORS' REPORT

for the year ended 31 December 2022

To the Shareholders of Sun International Limited ("Sun International" or "the Company")

The directors have pleasure in submitting the financial statements of the Sun International group for the year ended 31 December 2022. Kindly take note that the period covered by this directors' report is from 1 January 2022 to 31 December 2022.

Nature of business

The Sun International group has interests in, and provides management services to businesses in the hotel, resort, casino and gambling industry. There have not been any material changes in the nature of the group's businesses from the prior year save for the transactions as detailed in the consolidated audited financial statements released on the Company's website on 13 March 2023.

The Company maintains a listing on the main board of the JSE and a secondary listing on A2X Markets.

Financial results

Particulars of the Sun International group's attributable earnings and earnings per share for the year ended 31 December 2022 are given in the statement of comprehensive income, whilst particulars of the Sun International group headline earnings per share for the year ended 31 December 2022 are given in note 9 of the financial statements.

Full details of the financial position and results of the Sun International group and company are set out in these financial statements.

Dividends

Interim

The board approved an interim dividend of 88 cents per ordinary share (70.4 cents net after deducting withholding tax) on 29 August 2022 (2021: nil).

Final

The board has approved a final ordinary dividend of 241 cents per ordinary share (193 cents net after deducting withholding tax) (2021: nil). The source of such dividend will be from distributable reserves. The dividend will be payable on 3 April 2023 to shareholders registered in the Company's securities register on 31 March 2023.

Associate companies and other investments

Particulars of the associate companies, joint arrangements and other investments are provided in the group financial statements in note 15, and note 16.

Corporate activity during the year and after the balance sheet date

Commentary on the nature of business of the Company, and its subsidiaries, acquisitions, future developments and prospects of the group are addressed in the consolidated audited financial statements of the Sun International group, which were released on the Company's website on 13 March 2023.

Share plans

Full particulars relating to awards and grants made under the various Sun International share plans are provided in note 24 to the group financial statements.

At the date of this report, a total of 17 616 548 ordinary shares remain reserved for the purposes of the Company's employee share plans. 10 780 000 in respect of the Bonus Share Matching Plan and 6 836 548 in respect of the Sun International 2020 Conditional Share Plan.

Share capital

The total issued share capital of the Company for the period under review constitutes 262 052 195 (2021: 263 905 660) ordinary shares. The Company has an authorised share capital of 800 000 000 (2021: 800 000 000) ordinary shares.

Further details regarding the authorised and issued share capital appear as note 24 to the group's financial statements and company financial statements in note 9.

Directorate

Appointments:

During the period under review, Ms MLD Marole was appointed as an independent non-executive director on the Company's board, effective from 12 May 2022.

Retirements:

On 31 March 2022, Mr PD Bacon retired as an independent non-executive director of the Company.

On 11 March 2022, Ms BLM Makgabo-Fiskerstrand advised the market that she intended retiring from the Sun International board at the 2022 annual general meeting of the Company which took place on 10 May 2022 and did not stand for re-election.

In addition to the aforegoing retirements during the year under review, Mr EAMMG Cibie retired as an independent non-executive director of Sun International on 31 December 2022.

In accordance with articles 25.5, 25.6.1 and 25.17 of the Company's memorandum of incorporation, Messrs NT Payne and GW Dempster, as well as Mesdames CM Henry and SN Mabaso-Koyana retired from the Board at the annual general meeting held on 10 May 2022, but being eligible for election / re-election, were duly elected / re-elected to the Company's Board.

In terms of the Company's memorandum of incorporation, Mesdames MLD Marole and ZP Zatu, as well as Messrs TR Ngara and S Sithole are required to retire in accordance with the company's memorandum of incorporation at the upcoming annual general meeting to be held on 9 May 2023 and being eligible, offer themselves for election / re-election, as the case may be.

Their profiles appear in the annual statutory report to be posted to shareholders on or about 31 March 2023 and which will be available on the Company's website at http://www.suninternational.com/investors

Secretaries

The secretaries' business and postal addresses appear in the annual statutory report to be posted to shareholders on or about 31 March 2023 and which will be available on the Company's website at http://www.suninternational.com/investors

Directors' interests

At 31 December 2022, the directors of the Company held interests in 65 516 913 of the Company's issued ordinary shares (31 December 2021: 60 955 354). Details of shares held per individual director and which includes restricted shares held through the various share schemes, as well as Sun International ordinary shares acquired by the directors and the Company on the open market during the year under review are listed below.

	Ordinary Shares Direct Beneficial		Ordinary Shares Indirect Beneficial
31 December 2022	Unrestricted	Restricted	Unrestricted
N Basthdaw	**317 144**	**536 466**	**–**
AM Leeming	**816 736**	**1 136 961**	**–**
GW Dempster	**85 000**	**–**	**–**
S Sithole/TR Ngara**	**–**	**–**	**62 624 606**
TOTAL	**1 218 880**	**1 673 427**	**62 624 606**

None of the directors' holdings were subject to security, guarantee, collateral or similar arrangement as envisaged in terms of paragraph 8.63 (c) (i) of the JSE Listings Requirements. There were no changes to the above number of shares between the end of the financial year and the date of approval of the annual financial statements.

	Ordinary shares direct beneficial		Ordinary shares indirect beneficial
2021 – 31 December	Unrestricted	Restricted	Unrestricted
N Basthdaw	111 815	338 821	–
AM Leeming	402 717	745 697	–
JA Mabuza+	24 435	–	–
S Sithole/TR Ngara	–	–	59 331 869
TOTAL	538 967	1 084 518	59 331 869

\+ Passed away as a non-executive director on 16 June 2021.

None of the directors' holdings were subject to security, guarantee, collateral or similar arrangement as envisaged in terms of paragraph 8.63 (c) (i) of the JSE Listings Requirements. There were no changes to the above number of shares between the end of the financial year and the date of approval of the group and company statements.

** Indirect shareholding via Venture Capital Partners.

PUBLIC AND NON-PUBLIC SHAREHOLDERS (AS AT 31 DECEMBER 2022):

Ordinary shares	Number of shareholders	%	Number of shares	%
NON-PUBLIC SHAREHOLDERS	**15**	**0.12**	**81 096 189**	**30.71**
Directors and associates of the company	6	0.05	65 516 913	24.78
Sun International Employee Share Trust and Plans*	8	0.06	8 859 517	3.37
Dinokana Investments**	1	0.01	6 719 759	2.56
PUBLIC SHAREHOLDERS	**12 872**	**99.88**	**180 956 006**	**69.29**
Totals	**12 887**	**100.00**	**262 052 195**	**100.00**

* Sun International Employee Share Trusts and Plans have been adjusted by including the portion held via Dinokana and deducting the portion of shares allocated to directors.

** Dinokana Investments is a subsidiary of Sun International Limited, thus qualifying as Treasury shares.

Material shareholders

Beneficial shareholders (excluding directors) holding 5% or more of the Company's listed ordinary shares as at 31 December 2022 were the following:

	Number of shares	%
Allan Gray	28 983 874	11.06
Value Capital Partners H4 Q1 Hedge Fund	22 946 709	8.76
Old Mutual	22 380 365	8.54
PSG Konsult	20 512 808	7.83

Special resolutions

The Company passed 18 special resolutions during the period under review, which included the following:

- approving the acquisition by the Company or any of its subsidiaries of the Company's shares;
- approving the remuneration of the non-executive directors;
- approving the provision of financial assistance and / or the issue of securities to employee share scheme participants; and
- approving the provision of financial assistance to related or inter-related companies and corporations.

Except for the above, no other special resolutions, the nature of which might be significant to shareholders in their appreciation of the state of affairs of the Sun International group, were passed by the Company or its subsidiaries during the period covered by this directors' report.

Corporate governance

During the period under review, the Board endorsed and when applicable, applied the 16 Principles contained in the King IV Report on Corporate Governance for South Africa, 2016 ("King IV"). The Board has satisfied itself that throughout the period under review, Sun International has complied in all material aspects with King IV and the Listings Requirements of the JSE as the case may be.

Sun International's compliance with paragraphs 3.84 and 8.63 (a) of the Listings Requirements of the JSE plus application of the Principles set out in King IV (as contained in a corporate governance register), form part of the integrated annual report which is made available on the Company's website on 31 March 2023 at: http://www.suninternational.com/investors/governance/

At the Company's annual general meeting held on 10 May 2022, shareholders endorsed the two ordinary resolutions pertaining to the Sun International group remuneration policy and the implementation of the Sun International remuneration policy.

The ordinary resolution in respect of the endorsement of the Sun International remuneration policy was passed by a 93.33% shareholder vote in favour of the resolution, while the ordinary resolution in respect of the endorsement of the implementation of the Sun International remuneration policy was passed by a 90.11% shareholder vote in favour of the resolution.

Laws of incorporation and MOI

The directors confirm that:

- Sun International adheres to and complies with the provisions of the Companies Act, the JSE Listings Requirements and its relevant laws of establishment, specifically relating to its incorporation; and
- Sun International is in compliance with the provisions of the Companies Act, specifically relating to its incorporation and operating in conformity with its MOI.

Material risks

During the period under review and at each risk committee meeting held during the year and at board meetings held thereafter, the directors considered the material risks of Sun International. A description of these material risks relative to the Company and its securities including the hospitality and gaming industry in which Sun International operates can be found in the Company's integrated annual report which is made available on the Company's website on 31 March 2023 at: www.suninternational.com/investors

Director's emoluments

The individual directors' emoluments paid in respect of the financial period under review are contained in the audited financial statements in note 30.

Repurchased equity securities

During the period covered by this director's report, Sun International repurchased [1 853 465 (0.7%)] of its ordinary issued shares in accordance with the general authority granted to it by shareholders at its annual general meeting held on 10 May 2022 at an average price of R31.14 per share. All of these shares were cancelled by the Company and returned to authorised share capital. Refer to note 24.

Borrowing powers and restrictive funding arrangements

In terms of its memorandum of incorporation, Sun International has unlimited borrowing powers. At 31 December 2022, unutilised borrowing facilities amounted to R2.527 billion (31 December 2021: R2.196 billion).

No restrictive funding arrangements were undertaken by Sun International or any of its subsidiaries during the period covered by this directors' report.

Issues for cash

Sun International did not undertake any issues of securities for cash, whether general or specific, during the period covered by this directors' report.

Solvency and liquidity tests

The Directors have performed the required solvency and liquidity tests for Sun International as required by the Companies Act.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of the group and company financial statements of Sun International, comprising the statements of financial position at 31 December 2022 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes. In accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa and the directors' report.

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

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns from date of approval of financial statements.

The auditor is responsible for reporting on whether the consolidated financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of group and company financial statements

The group and company audited financial statements of Sun International, as identified in the aforementioned paragraph, were approved by the Board of directors on 10 March 2023 and signed by:

For: Sun International Limited

S SITHOLE
Chairman

AM LEEMING
Chief Executive

N BASTHDAW
Chief Financial Officer

10 March 2023

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Notes	31 December 2022 Rm	31 December 2021 Rm
Continuing operations			
Net gaming wins	1	**8 997**	6 632
Revenue*	1	**2 277**	1 180
Insurance receipts	1	**28**	522
Income	1	**11 302**	8 334
Consumables and services		**(1 193)**	(789)
Depreciation	11 + 13	**(739)**	(772)
Amortisation	12 + 14	**(89)**	(91)
Employee costs	2	**(2 146)**	(1 674)
Levies and VAT on casino income		**(2 146)**	(1 568)
LPM site owners commission**		**(438)**	(362)
Promotional and marketing costs		**(464)**	(341)
Property and equipment rentals	3	**(62)**	(26)
Property costs		**(850)**	(729)
Net impairment loss on financial assets	20	**(11)**	(10)
Other operational costs^		**(721)**	(663)
Operating profit	4	**2 443**	1 309
Foreign exchange losses		**(71)**	(30)
IFRS 9 debt modification adjustment	25	**–**	43
Finance income	5	**20**	45
Finance expense	6	**(515)**	(609)
Change in estimated redemption value of put option	18	**(510)**	(184)
Share of profit of investments accounted for using the equity method	15	**1**	–
Profit before tax		**1 368**	574
Taxation	8	**(603)**	(192)
Profit for the year from continuing operations		**765**	382
Loss for the year from discontinued operations	23	**–**	(2)
Profit for the year		**765**	380
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	19	**10**	1
Tax on remeasurements of post employment benefit obligations	8	**(3)**	–
Items that may be reclassified to profit or loss			
Gross gain on cash flow hedges~	17	**–**	84
Tax on gain on cash flow hedges	8	**–**	(18)
Fair value adjustment for listed shares	16	**(18)**	–
Tax on fair value adjustment for listed shares	8	**5**	–
Foreign currency translation reserve		**42**	(12)
Total comprehensive income for the year		**801**	435

GROUP STATEMENT OF COMPREHENSIVE INCOME continued

for the year ended 31 December 2022

	Notes	31 December 2022 Rm	31 December 2021 Rm
Profit for the year attributable to:			
Minorities		**210**	117
Ordinary shareholders		**555**	263
		765	380
Total comprehensive profit for the year attributable to:			
Minorities		**217**	106
Ordinary shareholders		**584**	329
		801	435
Total comprehensive profit attributable to ordinary shareholders arises from:			
Continuing operations		**584**	324
Discontinued operations	23	**–**	5
		584	329
Basic and diluted earnings per share (cents)			
Basic	9	**224**	105
Continuing operations		**224**	103
Discontinued operations		**–**	2
Diluted basic earnings per share (cents)		**222**	105

* Included in revenue is "other revenue" (refer to note 1).

** LPM refers to Limited Payout Machines and relate to the group's Sun Slots business.

^ Other operational costs include administration and general costs, loss on disposals of assets, IT costs, professional fees, training costs, travel costs and repairs and maintenance costs inter alia.

~ Relates to the interest rate swap liability.

GROUP STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Notes	31 December 2022 Rm	Restated* 31 December 2021 Rm	Restated* 31 December 2020 Rm
ASSETS				
Non-current assets				
Property, plant and equipment	11	**9 054**	9 030	9 333
Intangible assets	12	**818**	814	866
Investment property	13	**160**	61	–
Contract asset	14	**80**	69	71
Equity-accounted investment	15	**32**	31	31
Investment in listed shares	16	**356**	–	–
Pension fund asset	19	**9**	9	9
Deferred tax assets	8	**1 057**	1 141	1 081
Trade and other receivables	20	**103**	67	58
		11 669	11 222	11 449
Current assets				
Inventory	21	**118**	88	100
Trade and other receivables	20	**1 130**	1 117	1 016
Contract asset	14	**17**	19	19
Cash and cash equivalents	22	**546**	374	538
Current tax receivable		**11**	107	94
		1 822	1 705	1 767
Assets held for sale	23	**55**	26	26
Total assets		**13 546**	12 953	13 242
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary shareholders' equity before put option reserve		**3 643**	3 293	3 001
Put option reserve		**(1 286)**	(1 286)	(1 286)
Ordinary shareholders' equity	24	**2 357**	2 007	1 715
Minorities' interests		**(325)**	(291)	(253)
		2 032	1 716	1 462
Non-current liabilities				
Deferred tax liabilities	8	**282**	236	203
Borrowings	25	**5 914**	6 716	7 047
Derivative financial instruments	17	**–**	–	74
Put option liability	18	**974**	464	280
Contract liabilities	26	**505**	457	471
Trade payables and accruals	27	**127**	123	115
		7 802	7 996	8 190
Current liabilities				
Borrowings	25	**1 538**	1 242	1 377
Trade payables and accruals	27	**2 014**	1 723	1 816
Derivative financial instruments	17	**–**	56	125
Contract liabilities	26	**118**	116	127
Current tax payable		**42**	104	145
		3 712	3 241	3 590
Total liabilities		**11 514**	11 237	11 780
Total equity and liabilities		**13 546**	12 953	13 242

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatements refer to note 31.

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	31 December 2022 Rm	Restated* 31 December 2021 Rm
Cash flows from operating activities			
Cash generated from operations			
Profit for the year		**765**	380
Operating loss – discontinued operations		**–**	2
Adjustments for non-cash transactions		**2 881**	1 832
Depreciation and amortisation		**828**	863
Net loss on disposal of property, plant and equipment		**15**	22
Net gain on deconsolidation of subsidiary		**–**	(12)
Net loss on disposal of investment		**7**	–
Provident fund prepayment	20	**181**	(14)
Foreign exchange loss		**71**	30
Operating equipment usage		**53**	39
Expense/(gain) related to employee share based payments		**32**	(3)
Net impairment loss on financial assets		**11**	10
Change in estimated redemption value of put option		**510**	184
IFRS 9 debt modification adjustment		**–**	(43)
Income tax expense		**603**	192
Finance income		**(20)**	(45)
Finance expense		**515**	609
Movement in contract liability		**50**	(25)
Other non-cash movements		**25**	25
Operating cash flow before movements in working capital		**3 646**	2 214
Working capital changes		**37**	(71)
Inventory		**(30)**	12
Accounts receivable		**(215)**	(110)
Contract asset		**(9)**	2
Accounts payable		**291**	25
Cash generated by operations		**3 683**	2 143
Tax paid	28.1	**(436)**	(449)
Net cash inflow from operating activities		**3 247**	1 694
Cash flows from investing activities			
Purchase of property, plant and equipment	11	**(922)**	(489)
Additions to Investment property	13	**(99)**	(61)
Proceeds on disposal of property, plant and equipment		**37**	54
Purchase of intangible assets	12	**(21)**	(21)
Investment income received	5	**7**	4
Purchase of listed shares	16	**(374)**	–
Net cash outflow from investing activities		**(1 372)**	(513)
Cash flows from financing activities			
Share plan shares purchased	24	**(36)**	(33)
Shares repurchased and cancelled	24	**(58)**	–
Repayment of capital lease liabilities	25	**(149)**	(101)
Additional borrowings	28.3	**775**	1 151
Repayment of borrowings	28.3	**(1 263)**	(1 692)
Interest paid	28.2	**(480)**	(543)
Dividends paid	9	**(490)**	(158)
Net cash outflow from financing activities		**(1 701)**	(1 376)
Effects of exchange rate changes on cash and cash equivalents		**(2)**	31
Net increase/(decrease) in cash and cash equivalents		**172**	(164)
Cash and cash equivalents at beginning of the year		**374**	538
Cash and cash equivalents at end of year	22	**546**	374

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatement refer to note 31.

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Notes	Share capital and premium Rm	Treasury shares Rm	Foreign currency translation reserve Rm	Share based payment reserve Rm
Balance at 31 December 2020		3 100	(400)	48	63
Profit for the year		–	–	–	–
Other comprehensive income for the year		–	–	(1)	–
Total comprehensive income and other income for the year		–	–	(1)	–
Share plan shares purchased		–	(33)	–	–
Employee share plans		–	–	–	(3)
Vested share plans		–	14	–	(14)
Derecognition of eSwatini		–	–	–	–
Dividends paid		–	–	–	–
Balance at 31 December 2021		**3 100**	**(419)**	**47**	**46**
Profit for the year		**–**	**–**	**–**	**–**
Other comprehensive income for the year		**–**	**–**	**35**	**–**
Total comprehensive income and other income for the year		**–**	**–**	**35**	**–**
Share plan shares purchased		**–**	**(36)**	**–**	**–**
Employee share plans		**–**	**–**	**–**	**32**
Vested share plans		**–**	**13**	**–**	**(13)**
Shares repurchased and cancelled~		**(58)**	**–**	**–**	**–**
Acquisition/disposal of equity interest^		**–**	**–**	**–**	**–**
Dividends paid		**–**	**–**	**–**	**–**
Balance at 31 December 2022		**3 042**	**(442)**	**82**	**65**

* Reserve for non-controlling interests relates to the premium paid on purchases of minorities' interests and profits and losses on disposals of interests to minorities, including change in control.

** Including fair value and pension fund reserve.

~ Refer to Note 24.

^ Includes the acquisition of SunBet Africa Holdings, refer to note 10, and the disposal of an interest in Zonwabise, refer to note 29.

GROUP STATEMENT OF CHANGES IN EQUITY continued

for the year ended 31 December 2022

Reserve for non-controlling interests* Rm	Other reserves** Rm	Retained earnings Rm	Ordinary shareholders' equity before put option reserve Rm	Put option reserve Rm	Ordinary shareholders' equity Rm	Minorities' interests Rm	Total equity Rm
(3 353)	164	3 379	3 001	(1 286)	1 715	(253)	1 462
–	–	263	263	–	263	117	380
–	66	–	65	–	65	(11)	54
–	66	263	328	–	328	106	434
–	–	–	(33)	–	(33)	–	(33)
–	–	–	(3)	–	(3)	–	(3)
–	–	–	–	–	–	–	–
–	–	–	–	–	–	14	14
–	–	–	–	–	–	(158)	(158)
(3 353)	**230**	**3 642**	**3 293**	**(1 286)**	**2 007**	**(291)**	**1 716**
–	**–**	**555**	**555**	**–**	**555**	**210**	**765**
–	**(6)**	**–**	**29**	**–**	**29**	**7**	**36**
–	**(6)**	**555**	**584**	**–**	**584**	**217**	**801**
–	**–**	**–**	**(36)**	**–**	**(36)**	**–**	**(36)**
–	**–**	**–**	**32**	**–**	**32**	**–**	**32**
–	**–**	**–**	**–**	**–**	**–**	**–**	**–**
–	**–**	**–**	**(58)**	**–**	**(58)**	**–**	**(58)**
53	**–**	**–**	**53**	**–**	**53**	**14**	**67**
–	**–**	**(225)**	**(225)**	**–**	**(225)**	**(265)**	**(490)**
(3 300)	**224**	**3 972**	**3 643**	**(1 286)**	**2 357**	**(325)**	**2 032**

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2021

Overall accounting basis

All policies stated in the financial statements relate to the group and the companies within the group. The group financial statements for the year ended 31 December 2022 were prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee, International Financial Reporting Pronouncements (FRP) as issued by the Financial Reporting Standards Council (FRSC) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), effective at the time of preparing these financial statements and in compliance with the JSE Listings Requirements and the Companies Act of South Africa.

The financial statements have been prepared under the historical cost convention except as disclosed in the annexure to these financial statements. The policies used in preparing the financial statements are consistent with those of the previous year except in instances where new accounting standards or amendments have been adopted. There has been no material impact on the adoption of new accounting standards or amendments on the group financial statements.

Preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

These financial statements were prepared under the supervision of the group chief financial officer – Mr Norman Basthdaw CA(SA).

Critical accounting estimates and assumptions

The group makes estimates and assumptions concerning the future. Actual results may differ from these estimates. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below. Estimates are annually re-evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Asset useful lives and residual values

Property, plant and equipment are depreciated over their useful lives taking into account residual values where appropriate. The actual useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset useful lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. The group has not made material adjustments to the useful lives and residual values, the residual values were assessed and valued as appropriate by an independent 3rd party as at 31 December 2022. As the greater part of our assets which useful lives is subject to change relates to our casino equipment, and analysing the current and foreseeable usage of the equipment, management do not foresee the useful lives to materially change.

Assessing the recoverability of deferred tax assets

IAS 12.34 allows for a deferred tax asset to be recognised for an unused tax loss carry forward or unused tax credit, only if it is considered probable that there would be sufficient future taxable profit against which the loss or credit carry forward can be utilised. At every reporting period management assess the recoverability of deferred tax assets recognised associated with past and current assessed losses. At year end management performed this assessment by assessing the following:

- Using the approved budget for the following year as well as the 5 year forward-looking forecast approved by the group's board and adjusting this for market risks identifiable at that point in time that could pose a risk for reaching the forecasted financial performance for the foreseeable future.
- The forward looking forecast is compared to past financial performance to determine the appropriateness of the assumptions used in determining the forecasted growth to be achieved.
- Including future strategies in terms of where growth in the group will be achieved whether from acquisitions, expansions or current market growth, which the terms and conditions of these strategies are reasonably certain to be pursued.

The group recognised all of the deferred tax assets relating to the 2022 year's losses based on certain recognition criteria. Refer to note 8.

Impairment of non financial assets

Property, plant and equipment and intangible assets other than goodwill are considered for impairment if there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the economic viability of the asset itself and where it is a component of a larger economic unit, the viability of that unit itself.

Future cash flows expected to be generated by the CGUs to which the assets have been allocated are projected, taking into account market conditions and the expected useful lives of the assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the current net asset value and, if lower, the assets are impaired to the present value. If the information to project future cash flows is not available or could not be reliably established, management uses the best alternative information available to estimate a possible impairment. Impairments recognised are allocated first to goodwill and on a pro rata basis to intangible assets and property, plant and equipment.

Refer to note 11 and 12.

Assessment for impairment of goodwill

The group tests annually whether goodwill has suffered any impairment. The recoverable amounts of CGU have been determined based on value-in-use calculations. These calculations require the use of estimates. Refer to note 12.

Critical accounting judgements

Judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Consolidation of SunWest International Proprietary Limited

The group has 64.9% effective shareholding in SunWest International Proprietary Limited ("Sun West"), and 50.05% voting rights.

Management has applied critical judgement in the assessment of its ability to exercise control over SunWest. Through the management agreement entered into with SunWest, the group has existing rights that give it the ability to direct the relevant activities of SunWest. In its assessment the group considered various factors including, but not limited to the following:

- the control, conduct and management of the day-to-day operations of SunWest;
- all compliance and the regulatory affairs of SunWest which are managed by the group;
- the selection and determination of remuneration of key personnel of SunWest, including that of the general manager;
- key strategic decisions of SunWest made by the group;
- assistance with the establishment and maintenance of information and operational technology systems;
- the establishment and determination of key policies and procedures of the company;
- branding of all activities are developed, managed and maintained by the group; and
- the group has rights to variable returns and the ability to affect those returns.

Consolidation of an entity where the percentage ownership is less than 50%

Management has applied judgement to conclude that the group has control over the Tourist Company of Nigeria Plc (Federal Palace) acquired in 2008, even though it has 49.33% current equity stake and 49.33% voting rights. Control is determined by applying the application guidance of IFRS 10, which includes an assessment of various factors including, what the relevant activities are and how decisions about those activities are made. Relevant activities include, but are not limited to:

- The efficient management of the property which the group is responsible for through its management agreement;
- using its know-how in the performance of the management, direction and general conduct of the of the business;
- selection and appointment of other managers; heads of departments and other executive management;
- the group has assessed that board approval does not result in lack of control but is required for protective rights;
- the rights of the investor give it the current ability to direct the relevant activities;
- the group appoints the key management of the Federal Palace and these employees have the ability to direct the relevant activities; and
- the group has the largest individual shareholding.

Accounting for an investment in equity instruments where shareholding is greater than 20%

Management has applied judgement to conclude that the group has no significant influence over Grand Parade Investments Limited (GPI) even though it has 22.6% shareholding of GPI's issued share capital. The group applied the guidance of IAS 28 to determine whether they had significant influence over GPI. The assessment included, but not limited to the following factors:

- the group does not have representation on the board of directors;
- the group does not participate in the policy and decision-making processes of GPI; and
- there are no material operating transactions between the group and GPI.

The investment is classified as financial asset not held for trading in an equity instrument. Dividends are recognised in profit and loss, and changes in fair value in the investment are recognised in other comprehensive income.

Classification of the eSwatini subsidiary as IFRS 5: Non-current Assets and Liabilities Held for Sale from Discontinued operations, as at 30 June 2021 and deconsolidated in terms of IFRS 10: Consolidated Financial Statements

Since the start of the Covid-19 pandemic in March 2020, the eSwatini subsidiary ("eSwatini") has ceased trading which continued into 2021. During June 2021 creditors of eSwatini initiated a liquidation process whereby the court appointed liquidators assumed control of eSwatini in June 2021. eSwatini was considered a subsidiary of Sun International Limited and was until now consolidated into the results of Sun International Limited up to 30 June 2021. The liquidation of eSwatini required Sun International to assess the impact of the loss of control in terms of IFRS 10.

As a result of the appointment of the liquidators and that trading has ceased, management has assessed a loss of control from the date that the liquidators were appointed and have therefore classified eSwatini as a discontinued operation in terms of IFRS 5: Non-current Assets and Liabilities Held for Sale from Discontinued operations effective 30 June 2021. As of the date of liquidation, eSwatini has been deconsolidated from the group in terms of IFRS 10: Consolidated Financial Statements.

Management has therefore accounted for eSwatini subsidiary as IFRS 5: Non-current Assets and Liabilities Held for Sale from Discontinued operations, as at 30 June 2021 and deconsolidated in terms of IFRS 10: Consolidated Financial Statements.

Going concern

The IFRS Conceptual Framework states that going concern is an underlying assumption in the preparation of IFRS financial statements. Therefore, the financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting is required. The board of directors believes that, as of the date of this report, the going concern presumption is still appropriate and accordingly the group and company financial statements have been prepared on the going concern basis.

IAS 1 – Preparation of Financial Statements ('IAS 1') requires management to perform an assessment of the group's ability to continue as a going concern. If management is aware of material uncertainties related to events or conditions that may cast significant doubt upon the group's ability to continue as a going concern, IAS 1 requires these uncertainties to be disclosed.

The directors' assessment of whether the group is a going concern was considered and the directors concluded that:

- the group and the company are solvent, with their assets exceeding their liabilities and are expected to remain solvent after considering the approved budget and expected performance;
- based on the short and long term forecasts (as per the budget approved by the group's board of directors), the group is expected to be able to meet all its short-term obligations through a combination of the cash generated by operations and the utilisation of the current facilities available to the group;
- as at 31 December 2022, South Africa's debt (excluding IFRS 16 lease liabilities) amounted to R5.9 billion and its debt to adjusted EBITDA ratio of 1.84 times. This is in compliance with the bank debt covenant requirement of a covenant ratio of less than 3.25 times. As at 31 December 2022 the interest cover ratio was compliant at 6.51 times which is above the required 3 times;
- there has been no event of default over the past 12 months on any of the company or group's debt facilities. No facilities previously available to the company or the group have been withdrawn and remain committed by our lenders; and
- the group has forecast that it will achieve the required debt to adjusted EBITDA and interest cover ranges as per the debt covenants agreed with its lenders for the following 12 months.

The board, after considering the factors described above, has concluded that the group and company will be able to discharge its liabilities as they fall due in the normal course of business and is therefore of the opinion that the going concern assumption is appropriate in the preparation of the group and company financial statements.

Exchange rates

The exchange rates used in converting foreign subsidiaries statement of comprehensive income (average rate) and statement of financial position (closing rate) are set out below:

	12 months 31 December 2022		12 months 31 December 2021	
	Average rate	Closing rate	Average rate	Closing rate
US dollar (USD)	**16.38**	**16.96**	14.94	15.9
Chilean peso (CLP)	**53.27**	**50.67**	51.11	53.46
Nigerian naira (NGN)	**26.19**	**27.18**	27.34	26.67

1. Segmental analysis

	Net gaming wins							
	Total net gaming wins		Tables		Slots		Sun Slots and SunBet[$]	
	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm
South African operations	**8 935**	6 575	**1 484**	827	**5 624**	4 325	**1 827**	1 423
GrandWest	**1 751**	1 243	**275**	138	**1 476**	1 105	**–**	–
Sun City	**516**	402	**139**	88	**377**	314	**–**	–
Sibaya	**1 289**	875	**335**	171	**954**	704	**–**	–
Sun Time Square	**1 273**	896	**380**	204	**893**	692	**–**	–
Carnival City	**848**	612	**185**	103	**663**	509	**–**	–
Boardwalk[#]	**397**	305	**49**	45	**348**	260	**–**	–
Wild Coast Sun	**384**	301	**50**	35	**334**	266	**–**	–
Carousel and Sun Carousel	**–**	–	**–**	–	**–**	–	**–**	–
Meropa	**227**	173	**32**	19	**195**	154	**–**	–
The Table Bay Hotel	**–**	–	**–**	–	**–**	–	**–**	–
Windmill	**195**	151	**23**	14	**172**	137	**–**	–
Sun Slots	**1 491**	1 242	**–**	–	**–**	–	**1 491**	1 242
Flamingo	**114**	93	**10**	3	**104**	90	**–**	–
Golden Valley	**114**	101	**6**	7	**108**	94	**–**	–
SunBet	**336**	181	**–**	–	**–**	–	**336**	181
The Maslow Sandton	**–**	–	**–**	–	**–**	–	**–**	–
Other operating segments	**–**	–	**–**	–	**–**	–	**–**	–
Management and corporate office	**–**	–	**–**	–	**–**	–	**–**	–
Nigeria and other[^^]	**62**	57	**14**	9	**48**	48	**–**	–
Intercompany management fees	**–**	–	**–**	–	**–**	–	**–**	–
Total	**8 997**	6 632	**1 498**	836	**5 672**	4 373	**1 827**	1 423

Income Streams are reported on separately as below:
Income outside the scope of IFRS 15:
- Tables and Slots: Income from casino gambling operations.
- Income from Sun Slots and SunBet.

IFRS 15: Revenue from contracts with customers:
- Food and Beverage: Revenue from bars, restaurant and conferencing operations.
- Rooms: Revenue from hotel rooms operations.

		Revenue from contracts with customers							
Total revenue		Rooms		Food and beverage		Other*		Total income	
31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm
2 610	1 945	**881**	404	**822**	410	**907**	1 131	**11 545**	8 520
79	92	**2**	1	**48**	20	**29**	71	**1 830**	1 335
1 120	672	**443**	219	**375**	186	**302**	267	**1 636**	1 074
66	79	**8**	8	**38**	16	**20**	55	**1 355**	954
180	131	**42**	19	**94**	43	**44**	69	**1 453**	1 027
53	81	**7**	5	**23**	14	**23**	62	**901**	693
85	93	**24**	16	**49**	24	**12**	53	**482**	398
124	125	**34**	24	**52**	31	**38**	70	**508**	426
1	11	**–**	–	**–**	–	**1**	11	**1**	11
10	58	**7**	5	**–**	9	**3**	44	**237**	231
308	126	**239**	74	**65**	29	**4**	23	**308**	126
9	34	**–**	–	**8**	4	**1**	30	**204**	185
15	50	**–**	–	**–**	–	**15**	50	**1 506**	1 292
10	20	**–**	–	**10**	5	**–**	15	**124**	113
19	33	**9**	6	**9**	7	**1**	20	**133**	134
3	1	**–**	–	**–**	–	**3**	1	**339**	182
120	53	**66**	27	**51**	21	**3**	5	**120**	53
9	3	**–**	–	**–**	1	**9**	2	**9**	3
399	283	**–**	–	**–**	–	**399**	283	**399**	283
85	53	**46**	28	**36**	21	**3**	4	**147**	110
(390)	(296)	**–**	–	**–**	–	**(390)**	(296)	**(390)**	(296)
2 305	1 702	**927**	432	**858**	431	**520**	839	**11 302**	8 334

*Other:	31 December 2022 Rm	31 December 2021 Rm
Revenue within the scope of IFRS 15		
Time share income	**122**	108
Other income**	**192**	94
Other income excluded from the scope of IFRS 15 (Rental and Concessionaire income^)	**178**	115
Other income excluded from the scope of IFRS 15 (Insurance receipts)	**28**	522
Total	**520**	839

** Other income includes conferencing and entertainment revenue, management fees income, membership revenue, merchandise revenue and entrance fee revenue.
Time share income was separately shown out of Other income to provide additional detail.

^ Concessionaire income is based on an agreed percentage of that concessionaire's turnover.

Boardwalk includes Boardwalk Mall (refer to note 15).

$ These two entities are no longer referred to as Alternate Gaming as they are LPM and online gaming activities.

^^ Nigeria and other include Sun Chile, Sun Latam and SunBet Africa Holdings which are aggregated as they represent less than 2% of group revenue.

1. Segmental analysis continued

	Adjusted EBITDA		Depreciation and amortisation		Adjusted operating profit		Adjusted tax	
	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm
South African operations	**3 304**	1 688	**(809)**	(846)	**2 495**	842	**(601)**	(50)
GrandWest	**613**	399	**(116)**	(116)	**497**	283	**(138)**	(86)
Sun City	**259**	(52)	**(135)**	(144)	**124**	(196)	**–**	100
Sibaya`	**481**	302	**(45)**	(49)	**436**	253	**(121)**	(65)
Time Square	**507**	274	**(186)**	(189)	**321**	85	**(34)**	40
Carnival City	**233**	138	**(56)**	(59)	**177**	79	**(42)**	(9)
Boardwalk	**112**	50	**(33)**	(45)	**79**	5	**(16)**	6
Wild Coast Sun	**95**	49	**(32)**	(38)	**63**	11	**(12)**	7
Carousel	**(5)**	2	**–**	–	**(5)**	2	**(13)**	(1)
Meropa	**67**	49	**(16)**	(17)	**51**	32	**(10)**	(10)
The Table Bay Hotel	**90**	(21)	**(27)**	(23)	**63**	(44)	**3**	21
Windmill	**66**	47	**(14)**	(18)	**52**	29	**(14)**	(7)
Sun Slots	**367**	313	**(94)**	(87)	**273**	226	**(74)**	(61)
Flamingo	**23**	18	**(12)**	(14)	**11**	4	**(2)**	–
Golden Valley	**16**	15	**(12)**	(13)	**4**	2	**(1)**	(1)
SunBet	**42**	(2)	**(3)**	(4)	**39**	(6)	**(12)**	1
The Maslow Sandton	**6**	(32)	**–**	–	**6**	(32)	**8**	25
Other operating segments	**–**	–	**–**	–	**–**	–	**–**	4
Management and corporate office	**332**	139	**(28)**	(30)	**304**	109	**(123)**	(14)
Nigeria and other^^	**2**	(3)	**(19)**	(17)	**(17)**	(20)	**(27)**	(16)
Adjusted headline earnings adjustments (refer note 7)	**–**	–	**–**	–	**(35)**	487	**25**	(126)
Total	**3 306**	1 685	**(828)**	(863)	**2 443**	1 309	**(603)**	(192)

^^ Nigeria and other include Sun Chile, Sun Latam and SunBet Africa Holdings which are aggregated as they represent less than 2% of group revenue.

1. Segmental analysis continued

	Note	Non-current Assets		Borrowings*		Capital expenditure^	
		31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm	31 Dec 2022 Rm	31 Dec 2021 Rm
South African operations		**9 778**	9 769	**(6 706)**	(7 258)	**1 064**	715
GrandWest		**1 010**	1 029	**93**	31	**89**	69
Sun City		**1 485**	1 270	**(3 379)**	(2 960)	**351**	197
Sibaya		**767**	743	**(162)**	(215)	**74**	46
Time Square		**3 076**	3 240	**(5 223)**	(5 393)	**48**	17
Carnival City		**656**	619	**(369)**	(487)	**49**	39
Boardwalk		**379**	435	**(628)**	(532)	**132**	19
Wild Coast Sun		**377**	369	**(230)**	(239)	**41**	29
Carousel		**47**	57	**151**	145	**–**	–
Meropa		**183**	182	**9**	(8)	**16**	11
The Table Bay Hotel		**99**	118	**(621)**	(660)	**12**	99
Windmill		**156**	153	**(41)**	(49)	**16**	9
Sun Slots		**996**	917	**(197)**	(83)	**157**	88
Flamingo		**83**	86	**(59)**	(61)	**10**	6
Golden Valley		**123**	126	**1**	5	**10**	14
SunBet		**8**	6	**79**	18	**2**	2
The Maslow Sandton		**14**	7	**(644)**	(685)	**7**	1
Other operating segments		**–**	–	**(47)**	(47)	**–**	–
Management and corporate office		**319**	412	**4 561**	3 962	**50**	69
Nigeria and Other^^		**383**	236	**(746)**	(700)	**8**	5
Total operating segments		**10 161**	10 005	**(7 452)**	(7 958)	**1 072**	720
Elimination of intragroup		**–**	–	**–**	–	**–**	–
		10 161	10 005	**(7 452)**	(7 958)	**1 072**	720
Other non-current assets							
Trade and other receivables		**103**	67	**–**	–	**–**	–
Deferred tax		**1 057**	1 141	**–**	–	**–**	–
Non-current assets held for sale	23	**55**	26	**–**	–	**–**	–
Other		**365**	9	**–**	–	**–**	–
Total		**11 741**	11 248	**(7 452)**	(7 958)	**1 072**	720

* This includes receivable balances owed to the group's treasury company to operating units and cash held in bank accounts, which eliminate on consolidation as well as IFRS 16 Lease liabilities.

^ Excluding of goodwill and other intangibles.

^^ Nigeria and other include Sun Chile, Sun Latam and SunBet Africa Holdings which are aggregated as they represent less than 2% of group revenue.

2. Employee costs

	31 December 2022 Rm	31 December 2021 Rm
Salaries, wages, bonuses and other benefits	**(1 933)**	(1 593)
Pension costs – defined contribution plans	**(179)**	(70)
Other benefits – long service award	**3**	(3)
– post retirement	**(5)**	(10)
– farewell gifts	**–**	(1)
Employee share-based payments	**(32)**	3
	(2 146)	(1 674)

3. Property and equipment rentals

	31 December 2022 Rm	31 December 2021 Rm
Property and equipment rentals expense is made up of the following short-term, low value and variable rental charges:		
Plant, vehicles and equipment (short-term and low value rentals)	**(31)**	(26)
Variable rental charges	**(31)**	–
	(62)	(26)
Rental Commitments		
The group has the no material short term rental agreements as at 31 December 2022.		
The future aggregate minimum lease payments under non-cancellable short-term rentals are as follows:		
No later than 1 year	**(6)**	(7)
	(6)	(7)

Refer to note 11 and 12, on the IFRS16 impact on the groups rental commitments.

4. Operating profit is stated after charging the following:

	31 December 2022 Rm	31 December 2021 Rm
Auditors' remuneration	**(19)**	(22)
Audit fees	**(18)**	(19)
Fees for other services (less than R1 million)	**–**	–
Fees for other services (previous auditors)	**(1)**	(3)
Professional fees	**(45)**	(9)
Net loss on disposal of property, plant and equipment^	**(15)**	(22)

^ Refer to notes 11 & 12

5. Finance income

	31 December 2022 Rm	31 December 2021 Rm
Interest earned on cash and cash equivalents	**7**	4
Interest earned on Sanlam pension fund surplus	**13**	41
	20	45

6. Finance expense

	31 December 2022 Rm	31 December 2021 Rm
Interest paid on borrowings	**(427)**	(479)
Profit relating to interest rate swaps, refer to note 17.	**56**	59
Preference share dividends	**(53)**	(94)
Interest on lease liabilities	**(82)**	(85)
Imputed interest on loans payable	**(11)**	(10)
Interest capitalised	**2**	–
	(515)	(609)

Lease Liabilities

The below provides a breakdown of the interest associated to IFRS 16 Lease Liabilities per right of use asset class.

	31 December 2022 Rm	31 December 2021 Rm
Interest on lease liabilities:		
Freehold buildings	**(74)**	(74)
Freehold land	**(7)**	(8)
Plant, equipment and machinery	**(2)**	(2)
Other	**1**	(1)
	(82)	(85)

7. Adjusted EBITDA reconciliation

	31 December 2022 Rm	31 December 2021 Rm
Operating profit	**2 443**	1 309
Depreciation and amortisation	**828**	863
Adjusted headline earnings adjustments	**35**	(487)
Net loss on disposal of property, plant and equipment	**15**	22
Insurance proceeds	**(28)**	(522)
Net loss on disposal of investment	**7**	–
Restructuring cost	**13**	10
Other^	**28**	3
Adjusted EBITDA	**3 306**	1 685

^ The consolidation of the Sun International Employee Share Trust are reversed for the adjusted EBITDA reconciliation as the group did not receive the economic benefits of trust. Inclusive of expenses which are of an unusual and infrequent nature as a result of unforeseen and atypical events. Refer to Annexure: Accounting Policies.

8. Tax

		31 December 2022 Rm	31 December 2021 Rm
(a) Statement of comprehensive income			
Attributable to continued operations		**603**	192
Income tax expense – South African		**603**	192
		602	188
Current tax	– current year	**467**	283
	– prior years	**3**	(12)
Deferred tax	– current year	**112**	(21)
	– prior years	**(10)**	(62)
Deferred tax	– adjustment due to rate change*	**30**	–
Capital gains tax		**1**	–
Withholding taxes		**–**	(2)
Latam income tax provision		**–**	6
		603	192
Tax losses not recognised as deferred tax assets		**33**	26

* Corporate tax rate for South Africa has changed from 28% to 27% which resulted in a decrease of the net deferred tax assets of R30 million. This rate change will affect current tax in 2023.

8. Tax continued

Group reconciliation of effective tax rate

2022	South Africa Rm	Nigeria Rm	SunBet Africa Holdings Rm	Sun Latam and Sun Chile Rm	Group Rm
Profit before tax	1 482	(110)	(2)	(2)	1 368
Preference share funding (interest)	47	–	–	–	47
Depreciation on non-qualifying buildings	61	–	–	–	61
Non-deductible expenditure – expenses incurred to produce exempt income	9	–	–	–	9
Other non-deductible expenditure*	93	–	–	–	93
Change in estimate of redemption value of put option	510	–	–	–	510
Exempt Income – dividend income	(13)	–	–	–	(13)
Other exempt income**	(98)	–	–	–	(98)
Tax incentives	(15)	–	–	–	(15)
Losses for which no deferred tax asset raised	–	111	2	2	115
Taxable income before timing differences	2 076	1	–	–	2 077
Statutory country tax rate	28%	30%	28%	27%	28%
Tax at standard rate	(581)	–	–	–	(581)
Capital gains tax	(1)	–	–	–	(1)
Adjustments for current tax of prior periods	7	–	–	–	7
Tax rate change	(30)	–	–	–	(30)
Trust rate differential	2	–	–	–	2
Tax expense per the statement of comprehensive income	(603)	–			(603)
Effective tax rate	41%	–			44%

* Other non-deductible expenditure includes fines and penalties, legal fees and corporate social investment, amortisation costs, IFRS 2, SIEST distributions, security transfer tax.

** Other exempt income includes non taxable income and interest reversal relating to tax.

8. Tax continued

Group reconciliation of effective tax rate continued

2021	South Africa Rm	Nigeria Rm	Swaziland Rm	Sun Latam and Sun Chile	Total continuing operations	Sun Dreams (dis-continued operations)	Group Rm
Profit/(loss) before tax – continuing operations	661	(77)		(10)	574	–	574
Profit/(loss) before tax – discontinuing operations	–	–	–	–	–	(8)	(8)
Tax effects of amounts which are not deductible/(non-taxable) in calculating taxable income:							
Preference share funding (interest)	94	–	–	–	94	–	94
Depreciation on non-qualifying buildings	62	–	–	–	62	–	62
Impairment of assets and fair value adjustments	3	–	–	–	3	–	3
Other non-deductible expenditure	(1)	–	–	–	(1)	–	(1)
Change in estimate of redemption value of put option	184	–	–	–	184	–	184
Other exempt income	(40)	–	–	–	(40)	–	(40)
Tax incentives	(8)	–	–	–	(8)	–	(8)
Losses for which no deferred tax asset raised	10	77	–	10	97	8	105
Taxable income	965	–	–	–	965	–	965
Statutory country tax rate	28.0%	30.0%		27.0%	–	27.5%	–
Tax at standard rate	(270)	–	–	–	(270)	–	(270)
Withholding taxes	(2)	–	–	–	(2)	–	(2)
Interest adjustment on Latam tax provision	6	–	–	–	6	–	6
Adjustments for current tax of prior periods	74	–	–	–	74	–	74
	(192)	–	–	–	(192)	–	(192)
Effective tax rate	29%				33%		34%

8. Tax continued

	Accelerated asset allowances/ prepaid expenses	Assessable losses	Contract liabilities	Trade payables and other accruals	Restated* Net deferred tax
Closing balance as at 31 December 2020	660	(1 113)	(247)	(178)	(878)
Restatement – refer to note 31	(457)	304	102	51	–
Restated closing balance as at 31 December 2020	203	(809)	(145)	(127)	(878)
Credited to statement of comprehensive income	33	(115)	70	(15)	(27)
– current year charge/(credit) to profit or loss	40	(118)	65	(15)	(28)
– prior year under provision	(7)	3	5	–	1
Restated closing balance as at 31 December 2021	236	(924)	(75)	(142)	(905)

	Accelerated asset allowances/ prepaid expenses	Assessable losses	Contract liabilities	Trade payables and other accruals	Net deferred tax
Restated closing balance as at 31 December 2021	236	(924)	(75)	(142)	(905)
Credited to statement of comprehensive income	46	136	178	(230)	130
– current year charge/(credit) to profit or loss	65	92	165	(210)	112
– prior year under provision	(9)	15	16	(29)	(7)
– adjustment due to rate change	(10)	29	(3)	14	30
– charged to other comprehensive income	–	–	–	(5)	(5)
Closing balance as at 31 December 2022	**282**	**(788)**	**103**	**(372)**	**(775)**

The assessed loss of R1 023 million which is mainly attributable to Sun International South African Limited (2021: R1 272 million), of which the utilisation depends on future taxable profits based on the approval plans and budgets for the subsidiary, in excess of the profits arising from the reversal of existing taxable temporary differences, and the relevant group entity from which the deferred tax asset arises has suffered a loss in either the current or a preceding period. A deferred tax assessed loss for the group of R788 million (2021: R924) has been recognised.

IAS 12.34 allows for a deferred tax asset to be recognised for an unused tax loss carry forward or unused tax credit, only if it is considered probable that there would be sufficient future taxable profit against which the loss or credit carry forward can be utilised. At every reporting period management assess the recoverability of deferred tax assets recognised associated with past and current assessed losses. At year end management performed this assessment by assessing the following:

Using the approved budget for the following year as well as the 5 year forward-looking forecast approved by the group's board and adjusting this for market risks identifiable at that point in time that could pose a risk for reaching the forecasted financial performance for the foreseeable future.

- The forward looking forecast are compared to past financial performance to determine the appropriateness of the assumptions used in determining the forecasted growth to be achieved.
- Including future strategies in terms of where growth in the group will be achieved whether from acquisitions, expansions or current market growth, which the terms and conditions of these strategies are reasonable certain to be pursued.

8. Tax continued

The group recognised the majority of the deferred tax assets relating to the 2022 year's losses, with exception of a tax asset of R110 million (2021: R26 million) based on certain recognition criteria. This deferred tax asset could be recognised in future years once it meets said criteria.

	31 December 2022 Rm	Restated* 31 December 2021 Rm
To be recovered after more than 12 months	**(685)**	(999)
To be recovered within 12 months	**(372)**	(142)
	(1 057)	(1 141)
Net deferred tax asset	**(775)**	(905)
Aggregate assets and liabilities on subsidiary company basis:		
Deferred tax assets	**(1 057)**	(1 141)
Deferred tax liabilities	**282**	236
	(775)	(905)

9. Return to shareholders

(a) Earnings per Share (EPS)

	31 December 2022				31 December 2021			
	Gross Rm	Tax Rm	Minorities Rm	Net Rm	Gross Rm	Tax Rm	Minorities Rm	Net Rm
Profit for the year	**1 368**	**(603)**	**(210)**	**555**	572	(192)	(117)	263
Headline earnings adjustments	**15**	**(9)**	**(2)**	**4**	10	(5)	(3)	2
Net loss on disposal of property, plant and equipment	**15**	**(9)**	**(2)**	**4**	22	(5)	(3)	14
Net gain on deconsolidation/disposal of subsidiary	**–**	**–**	**–**	**–**	(12)	–	–	(12)
Headline earnings	**1 383**	**(612)**	**(212)**	**559**	582	(197)	(120)	265
Adjusted headline earnings adjustments	**573**	**(16)**	**(31)**	**526**	(343)	131	57	(155)
IFRS 9 debt modification adjustment	**–**	**–**	**–**	**–**	(43)	–	–	(43)
Insurance claim received	**(28)**	**8**	**4**	**(16)**	(522)	149	78	(295)
Change in estimated redemption value of put option	**510**	**–**	**–**	**510**	184	–	–	184
Foreign exchange and net monitory loss/(profit)	**71**	**(20)**	**(35)**	**16**	28	(9)	(21)	(2)
Net loss on disposal of investment	**7**	**–**	**–**	**7**	–	–	–	–
Interest adjustment on Latam tax provision	**–**	**–**	**–**	**–**	–	(6)	–	(6)
Restructuring costs	**13**	**(4)**	**–**	**9**	10	(3)	–	7
Adjusted headline earnings	**1 956**	**(628)**	**(243)**	**1 085**	239	(66)	(63)	110

9. Return to shareholders continued

	31 December 2022	31 December 2021
Number of shares for diluted EPS and HEPS calculation (000's)		
Weighted average number of shares in issue	**247 220**	249 441
Adjustment for dilutive share awards	**3 271**	1 626
Diluted weighted average number of shares in issue	**250 491**	251 067
EPS (cents)		
Basic	**224**	105
Headline	**226**	106
Adjusted headline	**439**	44
Dilutes basic	**222**	105
Diluted headline	**223**	106
Diluted adjusted headline	**433**	44
Continuing operations EPS (cents)		
Basic	**224**	103
Headline	**226**	109
Adjusted headline	**439**	47
Dilutes basic	**222**	103
Diluted headline	**223**	109
Diluted adjusted headline	**433**	47
Discontinued operations EPS/(LPS) (cents)		
Basic	**–**	2
Headline	**–**	(3)
Adjusted headline	**–**	(3)
Dilutes basic	**–**	2
Diluted headline	**–**	(3)
Diluted adjusted headline	**–**	(3)

EPS is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares in issue.

Adjusted headline earnings include adjustments made for certain items of income or expense. These adjustments include restructuring expenses and other material items considered to be outside the normal operating activities of the group. Refer to note 7.

For the diluted EPS calculation the weighted average number of ordinary shares in issue is adjusted to take account of potential dilutive share awards granted to employees. The number of shares taken into account is determined by taking the number of shares that could have been acquired at fair value based on the monetary value of the subscription rights attached to the outstanding share awards. This calculation is done to determine the 'unpurchased' shares to be added to the ordinary shares outstanding for the purpose of computing the dilution. There was a dilutive effect in 2022.

Adjusted HEPS are after HEPS are adjusted for exceptional items. Exceptional items are defined as gains and losses included in the statement of comprehensive income from events, which are of an unusual and infrequent nature and are the result of unforeseen and atypical events. Adjusted HEPS provides a measurement of how current performance compares with performance in previous years. Refer to "Annexure Accounting policy"

The restatements and reclassifications have no impact on basic, diluted earnings and headline earnings per share presented in note 31.

(b) Dividends declared and paid

	31 December 2022	31 December 2021
Dividends were declared by the company for the period ended 31 December 2022:		
Dividends paid by the company	**(225)**	–
Dividends paid to minorities in subsidiaries	**(265)**	(158)
Total dividends paid by the group	**(490)**	(158)
Dividends per share	**88 cents**	–

10. Acquisition/disposal of subsidiaries

(1) Purchase of shares in subsidiaries

During the year the group acquired shares in the following companies:

	31 December 2022		31 December 2021	
	Shareholding acquired %	Purchase price Rm	Shareholding acquired %	Purchase price Rm
SunBet Africa Holdings	**70**	**52**	–	–
		52		–

On 1 September 2022 Sun International (through its indirect shareholding in SunBet Investments) acquired control by subscribing to additional shares of 28 000 to obtain 70% investment in SunBet Africa Holdings and its 3 subsidiaries (SunBet Ghana, SunBet Zambia and SunBet Kenya) obtaining control of SunBet Africa Holdings. The group has rights that give it the ability to direct the relevant activities of SunBet Africa Holdings through a management agreement.

SunBet Africa Holdings, an online sports betting company which qualifies as a business as defined in IFRS 3 Business Combinations, was purchased for a cash consideration of USD3.2 million (R52.4 million) and was acquired primarily for the casino licences to operate in Ghana, Zambia and Kenya which require annual renewal and approval by the authorities. These businesses have a product offering extending beyond sports betting to which goodwill is attributable. As at year end no impairment indicators were identified.

The purchase consideration was transferred to SunBet Africa Holdings and reflects in the group's cash and cash equivalents balance and held in USD currency. Refer to note 22.

The financial year end for SunBet Africa Holdings is 28 February, however the group used the entities' management accounts to consolidate the subsidiary into Sun International for the 2022 financial period and will be aligning the subsidiaries' year-end to Sun International's. Losses since acquisition is less than R1 million.

These provisional fair value amounts recognised in respect of the identifiable assets acquired and liabilities assumed are set out below:

	September 2022 Rm
Cash and cash equivalents	**1**
Trade and other payables	**(4)**
Total identifiable assets acquired and liabilities assumed	**(3)**
Goodwill	**54**
Non-controlling interest of 30 % in SunBet Africa Holdings	**1**
Total consideration	**52**

The amounts above are provisional as only the management accounts were available at date of acquisition.

	September 2022 Rm
SunBet Investments acquired SunBet Africa Holdings for a consideration of	**(52)**
SunBet Africa Holdings acquired cash and cash equivalents of	**52**
Net cash flow for the group	**–**

(2) Deconsolidation of subsidiary

Since the start of the Covid-19 pandemic in March 2020, eSwatini has ceased trading which continued into 2021 due to the impact of Covid-19 and was not classified as discontinued in 2020. During June 2021, creditors of eSwatini initiated a liquidation process whereby the court appointed liquidators assumed control of eSwatini in June 2021. As eSwatini represents a separate geographical area of operations, it was classified as a discontinued operation in terms of IFRS 5.32.

The fair value of the consideration receivable is deemed to be Rnil as the creditors initiated a liquidation process and given this information the retained interest approximates Rnil as the underlying entity is being liquidated.

10. Acquisition/disposal of subsidiaries continued

(3) Disposal of shares in subsidiaries

(3a) Background to the sale of the equity of 64.94% in Dreams S.A.

In the 2020 financial period Sun International Limited ("Sun International" or "Sun") held 64.94%, through its subsidiary Sun Latam (held 99.164%), of the issued share capital of Dreams S.A. Sociedad Anonima, a company incorporated in Chile ("Dreams S.A."), while Nueva Inversiones Pacifico Sur Limitada ("Pacifico") at the start of the financial period held the remaining 35.06% of the issued share capital. Dreams S.A. operates a number of casinos, hotels as well as entertainment, food and beverage facilities throughout Latin America ("Latam") including in Argentina, Chile, Colombia, Panama and Peru.

In 2019, Sun International announced that it had entered into an agreement with Pacifico whereby it had agreed to sell 14.94% of its interest in Dreams S.A. for US$85.8 million (R1 232 million), which would have resulted in each party holding a 50% equity interest in Dreams S.A. ('Transaction 1'). Sun Latam declared a dispute with Pacifico and approached the International Chamber of Commerce to resolve the dispute.

Following discussions between the parties, on 21 August 2020 Sun International announced on SENS that the parties had reached agreement whereby:

- Sun Latam and Pacifico had agreed to settle their dispute in respect of Transaction 1 and to implement the transfer of Sun Latam's 14.94% equity interest in Dreams S.A. to Pacifico on the terms of a settlement agreement that was to be concluded by the parties; and
- To acquire Sun Latam's remaining 50% equity interest in Dreams S.A. ("Transaction 2"), on terms and conditions as set out in the Share Purchase Agreement ("SPA") concluded between the Parties on 20 August 2020. Transaction 2 was conditional on, inter alia:
  - the approval of Transaction 2 by the Sun International shareholders in general meeting, on or before 31 December 2020; and
  - the approval of the SCJ (Chilean casino regulator) will have been obtained on or before 31 December 2020.

10. Acquisition/disposal of subsidiaries continued

(3) Disposal of shares in subsidiaries continued

(3b) Details of the sale of the subsidiary

The sale consideration is$160 million (R2.628 million) as well as a contingent consideration. On disposal of the 64.94% interest in Dreams S.A., Sun International effectively lost control of Dreams S.A. in terms of IFRS10.B98 on the effective date.

Contingent consideration if the following occurs:

- First contingent consideration: If Dreams S.A.'s casino licences for its operations in Monticello, Temuco, Valdivia and Punta Arenas (the "SCJ Licences") are all renewed for a period of 15 or more years, on or before December 31, 2024, a first contingent payment of CLP$ 10,585,000,000 (R209 million) from Pacifico to Sun Latam shall be made;
- Second contingent consideration: if the conditions for the first contingent consideration are met and in addition to that the EBITDAR of the companies holding the renewed SCJ Licences during the first calendar year following the renewal is equal or higher than CLP$52,490,000,000 (R1.035 billion), a second contingent payment of CLP$31,755,000,000 (R627 million) from Pacifico to Sun Latam shall be triggered.

Managements assessment of the fair value of the contingent considerations:

Contingent 1 – Renewal of the above noted casino licences:

Towards the end of 2020 the local casino regulator announced that the licences would be awarded to the highest bidders instead of using a process that would factor in prior investments and the quality of their existing projects. The regulator has declined to publicly commit to whether a promise to keep bidding rules unchanged will be upheld. The regulator has however indicated that while the 2005 auction was held with the goal of launching a nascent industry, casinos are now well established in Chile and the government has an obligation to seek as much money as possible.

Management therefore assesses the fair value of the 1st contingent as zero at the effective date of the transaction and 31 December 2022.

Contingent 2 – Future performance:

Along with Dreams S.A. contending the timing of the payment of the first contingent based on a technical interpretation of when the renewed licence becomes effective, Dreams S.A. are currently also facing several challenges, including political and social reforms in the country, other judicial matters, uncertainty on overall costs, and the last several years Dreams S.A. has not been able to achieve their yearly budgeted financial targets approved by their Board due to the factors noted above.

After considering the above and the quantitative factors like the growth in revenue to be achieved to meet the 2nd contingent consideration of equal or higher than CLP$52,490,000,000 (R1.035 billion) in 2024/25, Sun International management assessed the probability as highly unlikely that Dreams S.A. will recover quickly enough to achieve the financial performance conditions required by the conditional period likely being 2025 and that the fair value of the second contingent consideration also zero is at the effective date of the transaction and 31 December 2022.

No financial asset was raised as at 31 December 2021 and reassessed in the current year. No financial asset was raised as at 31 December 2022 for either of the contingent considerations. Management will however assess the considerations on an annual basis to determine whether it is appropriate to recognise the asset on our statement of financial position in future years.

11. Property, plant and equipment

	~Right of use assets	Freehold land and buildings	Leasehold land and buildings	Infra-structure	Plant, equip-ment and machinery	Furniture and fittings	Operating equip-ment	*Restated capital work in progress	*Restated Total
Closing balance as at 31 December 2020	207	4 743	997	522	2 367	204	209	84	9 333
Cost	310	6 232	2 168	1 089	6 389	797	302	84	17 371
Accumulated depreciation	(103)	(1 489)	(1 171)	(567)	(4 022)	(593)	(93)	–	(8 038)
Reclassifications**	–	–	4	1	6	14	–	(29)	(4)
Exchange rate adjustments	–	(1)	6	–	–	1	–	–	6
Additions	134	34	66	16	259	22	46	107	684
Disposals	–	(59)	(6)	(3)	(7)	–	(1)	–	(76)
Subsidiaries derecognised^	–	(22)	–	(1)	(5)	(6)	(7)	–	(41)
Operating equipment usage	–	–	–	–	–	–	(39)	–	(39)
Depreciation	(55)	(85)	(48)	(28)	(499)	(47)	(10)		(772)
Restated to investment property*								(61)	(61)
Restated closing balance as at 31 December 2021*	**286**	**4 610**	**1 019**	**507**	**2 121**	**188**	**198**	**101**	**9 030**
Cost	**438**	**6 085**	**2 107**	**1 051**	**6 423**	**777**	**291**	**101**	**17 273**
Accumulated depreciation	**(152)**	**(1 475)**	**(1 088)**	**(544)**	**(4 302)**	**(589)**	**(93)**	**–**	**(8 243)**

^ eSwatini movements in PPE have been disclosed throughout the PPE note up to 30 June 2021 when the subsidiary was derecognised. Refer to note 10.

11. Property, plant and equipment continued

	~Right of use assets	Freehold land and buildings	Leasehold land and buildings	Infra-structure	Plant, equip-ment and machinery	Furniture and fittings	Operating equip-ment^	Capital work in progress	Total
Restated closing balance as at 31 December 2021*	286	4 610	1 019	507	2 121	188	198	101	9 030
Cost	438	6 085	2 107	1 051	6 423	777	291	101	17 273
Accumulated depreciation	(152)	(1 475)	(1 088)	(544)	(4 302)	(589)	(93)	–	(8 243)
Reclassifications**	–	1	4	2	37	4	3	(53)	(2)
Exchange rate adjustments	–	2	(4)	–	–	–	–	–	(2)
Additions	3	88	98	28	440	66	108	94	925
Disposals	–	(1)	(6)	(2)	(40)	(3)	–	–	(52)
Operating equipment usage	–	–	–	–	–	–	(53)	–	(53)
Depreciation	(60)	(83)	(47)	(27)	(466)	(42)	(12)		(737)
Reclassified to assets held for sale	–	(55)	–	–	–	–	–	–	(55)
Closing balance as at 31 December 2022	**229**	**4 562**	**1 064**	**508**	**2 092**	**213**	**244**	**142**	**9 054**
Cost	**435**	**6 098**	**2 190**	**1 057**	**6 301**	**747**	**325**	**142**	**17 295**
Accumulated depreciation	**(206)**	**(1 536)**	**(1 126)**	**(549)**	**(4 209)**	**(534)**	**(81)**	**–**	**(8 241)**

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatement refer to note 31.

** Total of R2 million (2021: R4 million) reclassification to intangible assets.

^ Operating equipment includes an immaterial number of vehicles.

~ Right-of-use asset

Right-of-use assets will be measured at the amount of the lease liability on inception (adjusted for any prepaid or accrued lease expenses) and depreciated over the period of the lease period.

	31 December 2022 Rm	31 December 2021 Rm
Amounts recognised in the statement of financial position		
This note provides information for leases where the group is a lessee.		
Right-of-use assets		
Freehold buildings	**172**	209
Freehold land	**51**	56
Plant, equipment and machinery	**6**	18
Other	**–**	3
	229	286
Amounts recognised in the statement of comprehensive income		
Depreciation charge of right of use assets		
Freehold buildings	**(39)**	(36)
Freehold land	**(3)**	(3)
Plant, equipment and machinery	**(16)**	(13)
Other	**(2)**	(3)
	(60)	(55)

The lease liability disclosure relating to IFRS 16: Leases is included in note 25.

11. Property, plant and equipment continued

Impairments

Impairment of cash generating units ("CGU"):

For the purpose of assessing impairment assets are grouped at the lowest levels for which there are separately identifiable cash flows CGUs.

To determine if an impairment of the assets of CGU is required a value in use calculation (discounted cash flow valuation) is carried out. Impairment charges are raised where the carrying value of the CGU exceeds the value-in-use.

Sun International elected to use the weighted average cost of capital (WACC) for the entity, which was adjusted in accordance with IAS 36. The rates are adjusted to take into account the way in which the market would assess the specific risks associated with the estimated cash flows and to exclude risks that are not relevant to the estimated cash flows or for which the estimated cash flows have been adjusted. Factors to consider:

- country risk, such as the risk of political unrest
- currency risk, such as the risk of devaluation
- the nature of the asset being tested; intangible assets are a higher risk
- whether the cash flows are optimistic or stretch targets
- price risk, such as the risk that prices might be forced down by competitive pressures.

The factors above were tailored in the discount rates.

In terms of IAS 36.A19, the discount rate is independent of the entity's capital structure and the way in which the purchase of the asset or CGU was financed. The future cash flows from the asset do not depend on how the asset was purchased. The rate Sun International has used is independent of the manner in which the asset is financed. It is estimated using the WACC for a portfolio of assets that are similar, in terms of service potential and risks, to the asset under review.

The pre tax discount rate was determined to be 10.32% to 20.32% (2021: between 11.26% to 22.14%).

The following assumptions were used in calculating the discount rates for the respective countries:

- market risk premium of 6.00% (2021 – 5.24%) for the South African;
- beta co-efficient of 0.87 (2021 – 0.96) for the South African operations; and
- risk free rate of 10.37% (2021 – 10.52%) for the South African based on the average annualized yields to maturity on short and medium term Government bonds issued in this jurisdiction.

The terminal growth rate of 4.6% (2021: 4.3%) has been determined based on long-term CPI forecasts and real GDP forecasts.

The revenue growth rate from 2022 to 2023 has been determined based on an improvement of 2022. The year on year revenue growth rate from 2023 is based on a range between 4.4% to 5.1% (2021: 3.5% to 4.0%) which has been determined based on past performance and expected future growth. This is supported by the post lockdown recovery of the group. The above assessment did not give rise to any impairments as at 31 December 2022.

Management has projected cash flows over a period of five years in line with how management considers the budget and projected cash flows.

Sensitivity Analysis

We have not identified impairment indicators.

No impairments were recognised in the current or prior year and none of the CGU's are sensitive to any significant assumption changes (1% decrease in the terminal growth rate, 1% increase in the discount rate (pre-tax), and an achievement of 75% of 2023's revenue forecast) and therefore no sensitivities were disclosed.

	31 December 2022 Rm	31 December 2021 Rm
Capital commitments		
Authorised by the directors and contracted	**205**	62
Authorised by the directors but not contracted	**2 346**	1 754
	2 551	1 816
To be spent in the forthcoming financial year	**913**	760
To be spent thereafter	**1 638**	1 056
	2 551	1 816

Future capital expenditure will be funded by a combination of internally generated cash flows and debt facilities. Refer to Financial Risk Management in note 33.

12. Intangible assets

	Computer software Rm	Brands Rm	Bid costs Rm	Licences and exclusivity agreements Rm	Goodwill Rm	Leasehold premiums Rm	Restated Vacation Club* Rm	Trade-marks Rm	Restated Total* Rm
Closing balance as at 31 December 2020	201	25	22	119	464	13	90	22	956
Cost	822	25	545	130	464	13	145	22	2 166
Accumulated amortisation	(621)	–	(523)	(11)	–	–	(55)	–	(1 210)
Restatement – refer to note 31	–	–	–	–	–	–	(90)	–	(90)
Restated closing balance as at 31 December 2020	201	25	22	119	464	13	–	22	866
Cost	822	25	545	130	464	13	–	22	2 021
Accumulated amortisation	(621)	–	(523)	(11)	–	–	–	–	(1 155)
Additions	21	–	–	–	–	–	–	–	21
Disposals/scrapping	(2)	–	–	–	–	(1)	–	–	(3)
Reclassification	4	(25)	–	25	–	–	–	–	4
Amortisation^	(69)	–	(5)	–	–	–	–	–	(74)
Restated closing balance as at 31 December 2021*	**155**	**–**	**17**	**144**	**464**	**12**	**–**	**22**	**814**
Cost	838	–	545	155	464	12	–	22	2 036
Accumulated amortisation and impairments	(683)	–	(528)	(11)	–	–	–	–	(1 222)

^ Amortisation of licences and exclusivity agreements are below R1 million.

	Computer software Rm	Brands Rm	Bid costs Rm	Licences and exclusivity agreements Rm	Goodwill Rm	Leasehold premiums Rm	Trade-marks Rm	Total Rm
Restated closing balance as at 31 December 2021*	155	–	17	144	464	12	22	814
Cost	838	–	545	155	464	12	22	2 036
Accumulated amortisation and impairments	(683)	–	(528)	(11)	–	–	–	(1 222)
Additions	20	–	1	–	54	–	–	75
Disposals/Scrapping	(2)	–	–	–	–	(1)	–	(3)
Reclassification**	2	–	–	–	–	–	–	2
Amortisation	(64)	–	(3)	(3)	–	–	–	(70)
Closing balance as at 31 December 2022	**111**	**–**	**15**	**141**	**518**	**11**	**22**	**818**
Cost	802	–	546	155	518	11	22	2 054
Accumulated amortisation and impairments	(691)	–	(531)	(14)	–	–	–	(1 236)

* The prior year comparative financial information was restated to reflect corrected errors. For further information on the restatement refer to note 31.
** Total of R2 million (2021: R4 million) reclassification from property, plant and equipment.

12. Intangible assets continued

Impairment analysis

For the purpose of assessing impairment, asset are grouped at the lowest levels for which there are separately identifiable cash flows CGUs. Goodwill and indefinite intangible assets are allocated to a CGU for purpose of impairment testing.

SunBet Africa Holdings has been acquired in the current year and no indicators of impairment were noted.

To determine if an impairment of the assets of a CGU are required a value in use calculation (discounted cash flow valuation is carried out). Impairment charges are raised where the carrying value of the CGU exceeds the value-in-use.

	31 December 2022 Sun Slots CGU Goodwill and indefinite useful life intangible assets	31 December 2021 Sun Slots CGU Goodwill and indefinite useful life intangible assets
Impairment indicator	**Indefinite useful life**	Indefinite useful life
Operating segment	**Sun Slots**	Sun Slots
Goodwill and indefinite useful life asset carrying value at 31 December 2022#	**R613 million**	R613 million
Method of testing	**Value in use (Discounted cash flow)**	Value in use (Discounted cash flow)
Key assumptions:		
– growth considerations	**Location of the business, including economic and political facts and circumstances**	Location of the business, including economic and political facts and circumstances
– Year on year revenue growth rate [Y2 to Y5]*	**8.0% to 11.5%**	5.0% to 11.4%
– discount rate (pre-tax)	**16.60%**	25.10%
– terminal growth rate	**6.50%**	5.00%
Impairment charge	**No impairment charge**	No impairment charge

* The revenue growth rate from 2022 to 2023 has been determined based on the group achieving 112% of 2021 normalised revenue figures. The year on year revenue growth rate from 2023 has been determined based on past normalised performance and expectation for future growth. This is supported by the post lockdown recovery of Sun Slots.

\# Balance includes goodwill (R464 million), licences (R127 million) and trademarks (R22 million).

13. Investment property

	31 December 2022 Rm	*Restated 31 December 2021 Rm
Opening balance	**61**	–
Additions	**99**	–
Depreciation	**(2)**	–
Restated from capital work in progress^	**–**	61
Borrowing costs capitalised	**2**	–
Closing balance	**160**	61

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatement refer to note 31.

^ This asset was included in the capital work in progress in the prior year.

Details of the investment property and information about the fair value hierarchy is as follows:

	Level 3 Rm	Fair value at 31 December 2022 Rm
Commercial retail units, located in Port Elizabeth	**160**	160

The fair value of the investment property, at 31 December 2022 was R160 million. Level 3 inputs are unobservable inputs for the investment property as there is little market activity for commercial retail units at measurement date. The fair value was determined using forecast cash flow for 2023 using a capitalisation rate of 9.5%, which is the capitalisation rate for similar properties in the Port Elizabeth area.

14. Contract assets

	31 December 2022 Rm	*Restated 31 December 2021 Rm
Contract asset opening balance	**88**	90
Cost	**160**	145
Accumulated amortisation	**(72)**	(55)
Additions	**28**	15
Amortisation	**(19)**	(17)
Contract asset closing balance	**97**	88
Cost	**188**	160
Accumulated amortisation	**(91)**	(72)
Current portion	**17**	19
Non-current portion	**80**	69
	97	88

* The prior year comparative financial information was restated to reflect the correct accounting treatment in terms of IFRS 15: Contract assets. For further information on the restatement refer to note 31.

15. Investments and joint arrangements

(a) Equity-accounted investment

FireFly Investments

FireFly Investments owns and houses the Sun International head office building in Sandton, which Sun International in turn leases from them. The group holds a 50% shareholding in FireFly and is classified as a joint venture (jointly controlled entity).

The following amounts represent the income, expenses, assets and liabilities of the equity-accounted investment:

	Joint venture FireFly Investments	
	31 December 2022 Rm	31 December 2021 Rm
Non-current assets	**263**	258
Current assets	**1**	1
Total assets	**264**	259
Non-current liabilities	**229**	181
Current liabilities	**2**	50
Equity	**33**	28
Total liabilities and equity	**264**	259
Group proportionate share of the equity	**17**	14
Group carrying amount of investment	**32**	31
Summarised statement of profit and loss:		
Revenue	**31**	29
Expenses	**(25)**	(23)
Profit before tax	**6**	6
Tax	**(2)**	(2)
Profit after tax	**4**	4
Other comprehensive income	**(3)**	(4)
Total comprehensive income	**1**	–
Group proportionate share of comprehensive income	**1**	–

15. Investments and joint arrangements continued

Group proportionate share of other comprehensive income (OCI)

There are no contingent liabilities relating to the group's interest in the equity-accounted investment.

The financial year end for FireFly Investments is 28 February, however the group applies equity accounting for the period 1 January to 31 December in line with the group's December year end using the management accounts of FireFly Investments as at 31 December 2022.

No dividends have been received from equity-accounted investments.

eSwatini Investment

After the deconsolidation of eSwatini (refer to note 10) the fair value of the retained investment (50.6%) is Rnil and this investment was considered an investment in associate.

(b) Interests in joint operations

Boardwalk disposed of two thirds of the retail centre to Flanagon & Gerard, while retaining the remaining third through its wholly owned entity namely Boardwalk Mall (Pty) Ltd ('Boardwalk Mall').

Sun International has a one-third proportionate share in Boardwalk Mall (Pty) Ltd that is classified as a joint operation.

The group therefore accounts for its proportionate share of all assets and liabilities in Boardwalk Mall in accordance with IFRS 11: Joint Arrangements.

During September 2022 the Boardwalk Mall was brought into use and classified as Investment property. Refer to note 13.

16. Investment in listed shares

	31 December 2022 Rm	31 December 2021 Rm
Reconciliation of movement in the revaluation reserve for equity instruments		
Investment in listed shares designated at FVTOCI		
Opening balance	**–**	–
Investment in Grand Parade Investments	**374**	–
Fair value loss arising during the period	**(18)**	–
Closing balance	**356**	–

Sun International has acquired a 22.6% shareholding of the issued share capital in GPI. The group does not have significant influence over GPI and the investment is classified as financial asset not held for trading in an equity instrument. Refer to the critical judgements. A dividend of R13 million received for the year is recognised in profit and loss. A loss of R18 million on the fair value on the investment has been recognised in other comprehensive income. Since year end Sun International has increased its shareholding to 22.7% of the issued share capital of GPI. The resulting fair value of the investment of listed shares has been classified as level 1 financial instruments with quoted prices being available against which to measure the instrument.

Level 1: The fair value of financial instruments that are traded in an active market (for example, listed stocks or bonds) that have a regular mark-to-market mechanism for setting a fair market value.

17. Derivative financial instruments

	31 December 2022 Rm	31 December 2021 Rm
The group had the following derivative financial instruments in the following line items in the balance sheet		
Liability		
Interest rate swaps	–	(56)
Current (liability)	–	(56)
Non-current (liability)	–	–

The interest rate swap was classified as ineffective since April 2020 due to an unfavourable change in the interest rate plus the term of the term facilities being renegotiated resulting in a modification of the financial instrument. On 30 June 2021, a substantial repayment was made on the term facilities which resulted in an extinguishment of debt, the hedge item, at which point the hedge relationship ended. At this date the reserve in Other Comprehensive Income (OCI) was recycled to profit and loss.

The resulting fair value of the interest rate swap has been classified as level 2 financial instruments with certain observable data being available against which to measure the instrument.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

(a) Hedged item:

The hedged item is defined as the interest arising on the notional amount of the total principal outstanding of the loan being R2.8 billion of the bullet loan and R0.7 billion of the amortised loan issued by the consortium of banks which is subject to interest payable at a variable rate of the quarterly JIBAR.

(b) Classification of derivatives:

Derivatives are only used for economical hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit and loss. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period

17. Derivative financial instruments continued

(c) Fair value of derivatives:

Interest rate swaps fair value are determined by using estimated future cash flows based on observable yield curves as valuation techniques.

Change in fair value of hedging instrument recognised in OCI

	Interest Rate swap	
	31 December 2022 Rm	31 December 2021 Rm
(d) Hedging reserve:		
Opening balance	–	66
Hedging instrument recycled from OCI to profit and loss	–	(84)
Change in fair value of hedging instrument recognised in OCI	–	–
Tax on fair value of hedging instrument recognised in OCI	–	18
Closing balance	–	–

(e) Amounts recognised in profit and loss:

In addition to the amounts disclosed in the reconciliation of hedging reserve above, the following amounts were recognised in profit or loss in relation to derivatives:

	31 December 2022 Rm	31 December 2021 Rm
Hedge ineffectiveness of interest rate swaps recognised in finance expense	**56**	143
Hedging instrument recycled from OCI to profit and loss	–	(84)
Profit relating to interest rate swaps	**56**	59
Interest expense on hedges	**(57)**	(116)

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic retrospective and prospective effectiveness assessments, to ensure that economical relationship exists between the hedge item and hedging instrument.

The group enters into interest rate swaps that have similar critical terms as the hedged items, such as reference rate, reset dates, payments dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. The hedge instruments became ineffective during the prior year as critical terms no longer matched and extinguished on 30 June 2021 when a substantial portion of the term facilities was repaid.

In addition to the above disclosed Sun International concluded its hedges on 30 September 2022.

18. Put option liabilities

	31 December 2022 Rm	31 December 2021 Rm
SunWest put option	**974**	464
Menlyn Maine put option	**–**	–
	974	464

SunWest put option

In terms of the restructure agreements of the group's Western Cape assets, a put option has been given to Tsogo Sun in the event that any party acquires 35% or more of the issued ordinary shares of Sun International, triggering a change of control of the company ('Triggering Event'). The Western Cape assets include Worcester (Golden Valley) and SunWest (Grand West and The Table Bay Hotel). In terms of the put option, Tsogo Sun may elect to put its equity interests (20%) in the Western Cape assets to Sun International. Sun International can elect to either settle the put by the issue of Sun International shares or in cash. A liability has been raised of R974 million (31 December 2021: R464 million) in this regard. The liability is calculated in accordance with the terms of the put option agreement, effectively a 7.5 times adjusted EBITDA multiple valuation of the Western Cape assets, less net debt, times the 20% shareholding which Tsogo Sun holds. In the prior 2 years the put liability was materially affected by decreased trading and low adjusted EBITDA levels due to Covid-19, it however has shown recovery from the 2021 financial period.

The put option liability is measured at amortised cost. The fair value of the put option approximates its carrying value. The fair value of the put option is determined as a level 3. There are no market observable inputs to determine the fair value of the put option.

As at 31 December 2022 and Report signature date, there was no Triggering Event that resulted in a change of control (in terms of IAS 1.69(d)), and if a triggering event does occur after Report signature date the Triggering Event will only be effective after 31 December 2023 due to the regulatory approvals required. Therefore the SunWest put option is disclosed as a non-current liability.

Quantitative disclosure of The Western Cape assets as at 31 December 2022:

	Adjusted EBITDA	Debt	Multiple	Tsogo Sun shareholding
SunWest	**703**	**(528)**	**7.5**	**20.0%**
Worcester	**16**	**1**	**7.5**	**20.0%**

Quantitative disclosure of The Western Cape assets as at 31 December 2021:

	Adjusted EBITDA	Debt	Multiple	Tsogo Sun shareholding
SunWest	378	(629)	7,5	20,0%
Worcester	15	5	7,5	20,0%

Put option sensitivity

A 5 % increase in adjusted EBITDA as at 31 December would increase the estimated redemption value of the put option by the amounts shown below. This analysis assumes that all other variables remain constant.

	31 December 2022 Rm	31 December 2021 Rm
Increase in estimated redemption value of put option if the adjusted EBITDA increases with 5%	**53**	30

18. Put option liabilities continued

Menlyn Maine put option

As part of the agreement, a subscription option was granted to Menlyn Maine by Sun Times Square whereby Menlyn Maine was given the option to subscribe to 14.25% of the ordinary shares in Sun Times Square at a subscription price of R89 million. Menlyn Maine exercised the subscription option as set out in the terms of the agreement. Contingent on granting the subscription option to Menlyn Maine, an option agreement was entered into between Menlyn Maine and Sun International whereby Sun International grants a put option to Menlyn Maine to sell its 14.25% shareholding in Sun Time Square to Sun International at the option price. Concurrently Menlyn Maine grants a call option to Sun International to purchase the 14.25% shareholding of Menlyn Maine in Time Square at the option price. Menlyn Maine is allowed to exercise the put option at any time during the put option period, which is between the third and fifth operating financial year. If Menlyn Maine does not exercise the put option during the put option period, the put option shall lapse, and Sun International shall be entitled to exercise the call option during the call option period which is the fifth operating financial year. The option price is determined as the adjusted EBITDA of Sun Time Square of the period that the option is exercised multiplied by an adjusted EBITDA multiple of 8, adjusted for cash on hand and net debt. An adjusted EBITDA multiple of 8 is deemed to be a fair value multiple by management and similar to similar deals done within the group. Due to the high level of initial debt from development spend as well as recovering trading, management has assessed the redemption value as Rnil (2021: Rnil). The estimated redemption value will be reassessed at each reporting date.

This subscription option will become void once the transaction described in note 23 becomes effective.

	Adjusted EBITDA	Debt	Multiple
31 December 2022			
Sun Time Square	**507**	**(5 223)**	**8**
31 December 2021			
Sun Time Square	274	(5 393)	8

19. Retirement benefit information

IAS 19 valuation

The surplus calculated in terms of IAS 19: Employee Benefits is presented below.

	31 December 2022 Rm	31 December 2021 Rm
The present value of the retirement surplus of the pension fund for the current and prior years is as follows:		
Fair value of plan assets	**9**	9
Surplus	**9**	9
Experience adjustment on plan obligations		
Experience adjustment on plan assets	**(22%)**	(22%)
The present value of the post-retirement medical aid obligation for the current and prior years is as follows:		
Present value of obligation	**(68)**	(74)

The balance remaining in the Employer Surplus Account is R9 million (R9 million as at 31 December 2021), which is recognised as an asset of the group. This balance will be used to meet the ongoing closure and liquidation costs of the Fund.

19. Retirement benefit information continued

The amount recognised in the statement of financial position is determined as follows:

	Pension fund liability		Post-retirement medical aid liability[1]	
	31 December 2022 Rm	31 December 2021 Rm	31 December 2022 Rm	31 December 2021 Rm
Present value of funded obligations	**–**	–	**(68)**	(74)
Balance at beginning of year	**–**	–	**(74)**	(68)
Current service cost (recognised through profit or loss)	**–**	–	**(1)**	(1)
Interest income/(cost) (recognised through profit or loss)	**–**	–	**(7)**	(9)
Remeasurement (loss)/gain (recognised through other comprehensive income)	**–**	–	**10**	–
Benefits paid and transfers made	**–**	–	**4**	4
Fair value of plan assets	**9**	9		
Balance at beginning of year	**9**	25		
Expected return on plan assets	**–**	(1)		
Remeasurement (loss)/gain (recognised through other comprehensive income)	**–**	2		
Benefits paid	**–**	(17)		
Present value of retirement benefit surplus	**9**	9		
Less: application of asset ceiling	**–**	–		
Balance at beginning of year	**–**	(16)		
Adjustment to asset ceiling (recognised through other comprehensive income)	**–**	16		
Pension fund asset	**9**	9		

1 The group has no matched asset to fund these obligations. There are no unrecognised actuarial gains or losses and no unrecognised past service costs. The expense recognised in the statement of comprehensive income for the year ending 31 December 2022 is R10 million (31 December 2021: Rnil).

	Pension fund liability		Post-retirement medical aid liability[1]	
	31 December 2022 Rm	31 December 2021 Rm	31 December 2022 Rm	31 December 2021 Rm
The net amount recognised in profit or loss for the year	**–**	(1)	**8**	10
Current service cost	**–**	–	**1**	1
Interest income/(cost)	**–**	(1)	**7**	9
The amounts recognised in other comprehensive income for the year	**–**	1	**(10)**	–
Net actuarial loss/(gain)	**–**	–	**(10)**	–
Gain on settlement	**–**	2	**–**	–
Benefits paid	**–**	(17)		
Effect of asset ceiling	**–**	16	**–**	–
The net amount recognised in total comprehensive income for the year	**–**	–	**(2)**	10
Plan assets comprise:				
Bonds and cash*	**100%**	100%	**–**	–

* The entire fund assets are invested in a money market portfolio.

Management has assessed the risk that the pension plan is exposed to, as low. The Fund's investments are invested in a pure money market portfolio with Investec. There are no investments in the equity of the sponsoring employer.

19. Retirement benefit information continued

Post retirement benefits

The present value of the post retirement benefits depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) for post retirement benefits include the discount rate. Any changes in these assumptions will impact the carrying amount of post retirement benefits.

The group determines the appropriate discount rate at the end of each year. This is the interest rate that should be used to determine the present value of estimated future cash outflows expected to be required to settle the post retirement benefit obligations. In determining the appropriate discount rate, the group considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related post retirement benefits obligations.

Other key assumptions for pension obligations are based in part on current market conditions, as set out below.

	Post retirement medical aid liability	
	31 December 2022 %	31 December 2021 %
Discount rate	**12.15%**	11.37%
Inflation rate	**7.05%**	7.10%
Expected future life expectancy		
Male	**19.4**	19.4
Female	**24.2**	24.2

^ Expected life expectancy of a pension in years, after retiring at the age of 60.

The Fund has no remaining in-service members, paid-up members nor pensioners at the current valuation date and consequently no resultant defined benefit liabilities. Hence there are no actuarial assumptions required for the purposes of the current valuation.

There is no current service cost since there are no benefits accruing over the year following the valuation date.

Sensitivity

	Post retirement medical aid liability	
	31 December 2022	31 December 2021
Projected future rate of increase of the liability	5.99%	6.04%
1% increase in rate	6.99%	7.04%
Impact on the liability	Increase of R8.3 million or 12.1%	Increase of R10 million or 13.2%
Impact on the service and interest costs	Increase of R1.3 million or 13.2%	Increase of R1.3 million or 14.5%
1% decrease in rate	4.99%	5.04%
Impact on the liability	Decrease of R7 million or 10.3%	Decrease of R8 million or 10.9%
Impact on the decrease of service and interest costs	Decrease of R1 million or 11.2%	Decrease of R1.1 million or 11.9%

The pension fund liability sensitivity has become irrelevant as there are no longer any remaining active members left in the fund.

20. Trade and other receivables

		31 December 2022 Rm	Restated* 31 December 2021 Rm
Financial instruments			
Loans	20.1	**104**	67
Net trade receivables		**438**	296
Trade receivables		**468**	323
Less: loss allowance	20.2	**(30)**	(27)
Net casino debtors		**4**	–
Casino debtors		**8**	4
Less: loss allowance	20.3	**(4)**	(4)
Interest receivable		**19**	7
Restricted cash (funds in Escrow)		**254**	239
Insurance assets		**20**	17
Other receivables~		**122**	77
		961	703
Non-financial instruments			
Prepayments*		**129**	163
Provident fund prepayment		**123**	304
VAT		**20**	14
		1 233	1 184
Non-current portion of loans		**(103)**	(67)
		1 130	1 117

* Prepayments includes upfront payments for insurance costs, software licences and maintenance costs.

~ Other receivables relates to miscellaneous receivables held by the respective subsidiaries, these include amongst other rental and concessionaire receivables and remote point receivables.

$ Referring to note 10 and the Dreams S.A. disposal. An amount of R254 million (2021: R239 million) of the purchase consideration was placed in Escrow as security for the settlement of a potential tax claim.

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatement refer to note 31.

20. Trade and other receivables continued

20.1 Loans

Most of the debt instruments within the group represent intercompany loans that eliminate in these consolidated financial statements. At a group level amortised debt instruments include enterprise development loans and external loans.

In assessing IFRS 9 Financial Instruments, potential impairments over loans receivables were calculated using the IFRS 9 general approach, with inputs obtained directly from a third party actuarial consultant. The IFRS 9 general approach has been set out in detail as part of the group's accounting policies and can be found in Annexure: Accounting Policies. The following impact was noted:

ECL as at 31 December 2021:

	Instrument Value Rm	Probability of default (PD)	Loss given default (LGD)	Exposure at default (EAD) Rm	ECL Rm
Instrument					
Enterprise development loans	32	6.26%	65.00%	32	1
Loan with Firefly Investments	24	19.15%	30.33%	24	2
				Total:	**3**

ECL as at 31 December 2022:

	Instrument Value Rm	Probability of default (PD)	Loss given default (LGD)	Exposure at default (EAD) Rm	ECL Rm
Instrument					
Enterprise development loans^					
Performing	**31**	**4.49%**	**65.00%**	**31**	**1**
High risk	**7**	**12.69%**	**65.00%**	**7**	**1**
Credit impaired	**14**	**102.34%**	**65.00%**	**14**	**9**
Loan with Firefly Investments	**25**	**6.51%**	**20.59%**	**25**	**0**
				Total:	**11**
				Movement during the financial year:	8

^ Enterprise development loans has been further categorised in the current year to reflect the different performance levels.

Applying the general IFRS 9 expected credit risk model resulted in the recognition of a loss allowance of R11 million 31 December 2022 for debt investments at amortised cost and an increase in the allowance of R8 million in the current year. There has been no significant increase in credit risk.

The remainder of the receivable loan balances have been assessed as fully recoverable both at 31 December 2021 and 31 December 2022, with only a negligible impact noted. Given this, these loans have not been included in the table presented above.

20. Trade and other receivables continued

20.2 Net trade receivables

Due to the intrinsic nature of trade receivables, where they should mature within a period of less than 12 months, the group has adopted the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. This approach included the following:

- **Different categories of trade receivables with similar loss patterns were separated.**
  - The group's categories of trade receivables were separated in two classes being trade receivables from food & beverage, rooms revenue and other and casino debtors.
  - The two classes of trade receivables were based on the historical risk profile of the classes receivables.
  - Management assessed the risks of the individual trade receivables as falling into the above two group's risk profile and on a debtor by debtor basis.
- **Calculating default rates within specific time frames over a specific year using historical credit loss experience.**

  Management determined the historical credit loss, by assessing the previous 24 months trade receivables payment trends, receivables written of as unrecoverable as well as forward looking information available at that point in time.

  Default rates were calculated based on the above assessment for each time bucket as indicated below:

  - Fully performing
  - Past due by 1 to 30 days;
  - Past due by 31 to 60 days;
  - Past due by 61 to 90 days;
  - Past due by more than 90 days; and
- **An assessment of forward looking macro-economic forecasts was done to determine a possible adjustment on the historical default rates.**

  To determine a correlation between macro-economic factors and the groups bad debt written off, the following macro-economic factor changes were compared over the same period of time as the groups bad debt written off:

  - Disposal Income rate;
  - Unemployment rate;
  - Lending rates;
  - Gross domestic product growth rate;
  - Inflation rate; and
  - Number of company liquidations.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors from Moody's Analytics Credit Loss and Impairment Analysis Suite affecting the ability of the customers to settle the receivables.

No linear correlation over the period of the assessment was identified between the above macro economical factors and the groups actual bad debt written off.

The granting of credit in relation to trade receivables is controlled by application and account limits. In addition, trade receivables consist mainly of Vacation Club debtors and large tour operators with reputable credit histories. The group has no significant concentrations of credit risk with respect to trade receivables due to a widely dispersed customer base.

20. Trade and other receivables continued

20.3 Net casino debtors

Casino debtors arise from the group's VIP customers. The granting of credit to VIP customers is managed in accordance with accepted industry practice. Settlement risk associated with VIP customers is minimised through credit checking and a formal review and approval process.

Trade receivables and casino debtors IFRS 9: Financial Instruments impact

Movements in the provision for doubtful debts of trade and other receivables and casino debtors were as follows, and have been included in 'other operational costs' in the statement of comprehensive income and are summarised below:

	31 December 2022 Rm	31 December 2021 Rm
Balance at the beginning of the year	**(31)**	(23)
Charge for the year	**(3)**	(8)
Balance at end of year*	**(34)**	(31)

The group does not hold any collateral against the trade receivable balances.

	31 December 2022			31 December 2021		
	Gross	Provision for doubtful debts	*IFRS 9 provision matrix	Gross	Provision for doubtful debts	*IFRS 9 provision matrix
Net trade receivables						
Fully performing	**292**	**–**	**–**	193	(2)	(1.04%)
Past due by one to 30 days	**38**	**(1)**	**(2.63%)**	29	(1)	(3.45%)
Past due by 31 to 60 days	**28**	**(1)**	**(3.57%)**	10	(1)	(10.00%)
Past due by 61 to 90 days	**8**	**–**	**–**	5	(1)	(20.00%)
Past due by more than 90 days	**102**	**(28)**	**(27.45%)**	87	(21)	(24.14%)
	468	**(30)**	**(26.45%)**	324	(26)	

	Gross	Provision for doubtful debts	IFRS 9 provision matrix	Gross	Provision for doubtful debts	IFRS 9 provision matrix
Casino debtors						
Fully performing	**3**	**–**	**–**	–	–	–
Past due by one to 30 days	**–**	**–**	**–**	–	–	–
Past due by 31 to 60 days	**–**	**–**	**–**	–	–	–
Past due by 61 to 90 days	**–**	**–**	**–**	–	–	–
Past due by more than 90 days	**5**	**(4)**	**(80.00%)**	4	(4)	(100.00%)
	8	**(4)**		4	(4)	

* Above provision matrix represents a weighted average group factor and has been applied in calculating the credit loss based on historic default rate percentages. As 24 month historic data was used, market information was incorporated to adjust for the forward looking approach. Data incorporated includes amongst other adjustments relating to possible changes in interest rates, gross domestic product, inflation rate and unemployment rate.

21. Inventory

	31 December 2022 Rm	31 December 2021 Rm
Merchandise	**35**	28
Consumables and hotel stocks	**83**	60
	118	88

No material inventory write-offs were incurred during the current or comparative year.

22. Cash and cash equivalents

	31 December 2022 Rm	31 December 2021 Rm
Cash in the bank	**381**	246
Cash floats	**165**	128
	546	374
Cash at the bank is held in the following currencies:		
Rand	**158**	74
Dollar	**88**	52
Chilean Peso	**95**	91
Naira	**40**	28
British Pound	**–**	1
	381	246

The exposure to credit risk with respect to cash and cash equivalents is low. The group ensures cash is placed with institutions of a high credit rating and manages the concentration of cash placed. There is low credit risk exposure for cash floats and low probability of default and therefore an immaterial ECL.

The credit ratings of the institutions that hold the group's cash and cash equivalents is included in note 33.

23. Assets held for sale and discontinued operations

Assets held for sale

Sibaya land

An agreement between Sibaya and Oasis (Purchaser) regarding the purchase of a section of land that is owned by Sibaya was concluded in the third quarter of 2019, for a purchase consideration of R45 million. The transaction was concluded in October 2022 for a purchase consideration of R34.5 million, and the sale of land became effective in December 2022 once the funds were received and transferred to purchaser on 15 December 2022.

	Sibaya Land	
	31 December 2022 Rm	31 December 2021 Rm
Assets of the disposal group classified as held for sale:		
Property, plant and equipment	**–**	26
Total assets held for sale	**–**	26

23. Assets held for sale and discontinued operations continued

Time Square land

Time Square, subject to sub-division and rezoning applications being granted will dispose of a portion of vacant land and grant various real right servitudes over certain parking bays to Menlyn Maine Investments Holdings Proprietary Limited for an amount of R198 million. Sun International (South Africa) Limited will acquire VastWay Trade and Invest Proprietary Limited's shares and loan account in Time Square. VastWay Trade and Invest Proprietary Limited will sell its loan for R36 million and in the event of the property suspensive conditions being met, will sell the shares for R89 million. The agreement was concluded between the parties on the 8th of August 2022. The carrying amount of the land is R55 million. At year end the suspensive conditions had not yet been met but it is highly probable that the sale of the land will be concluded by August 2023.

	Time Square Land	
	31 December 2022 Rm	31 December 2021 Rm
Assets of the disposal group classified as held for sale:		
Property, plant and equipment	**55**	–
Total assets held for sale	**55**	–

eSwatini deconsolidation

Since the start of the Covid-19 pandemic in March 2020, eSwatini has ceased trading which continued into 2021. During June 2021 creditors of eSwatini initiated a liquidation process whereby the court appointed liquidators assumed control of eSwatini in June 2021.

eSwatini was considered a subsidiary of Sun International and was, until then, consolidated into the results of Sun International. The liquidation of eSwatini had the following implications for Sun International and was considered fully by management:

- Accounting for eSwatini as a discontinued operation in terms of IFRS 5 for the June 2021 interim period and restating the 2020 year comparative results; and
- Assessing the impact of the loss of control in terms of IFRS 10 where the group holds 50.6% interest in eSwatini.

As a result of this process and that trading had ceased, management has assessed a loss of control from the date that the liquidators were appointed and have therefore classified eSwatini subsidiary as IFRS 5: Non-current Assets and Liabilities Held for Sale from Discontinued operations for the first 6 months of 2021. As of the date of liquidation, eSwatini has been deconsolidated from Sun International. The liquidation process is still ongoing.

24. Share capital and premium

	31 December 2022 Rm	31 December 2021 Rm
Authorised		
800 000 000 (31 December 2021: 800 000 000) ordinary shares of no par value		
Issued		
Share capital and premium	**3 042**	3 100
Treasury shares and share options	**(442)**	(419)
	2 600	2 681

All issued shares are fully paid.

17 616 548 shares (31 December 2021: 17 616 548) were placed under the specific control of the directors to allot and issue in accordance with the share plans.

24. Share capital and premium continued

	31 December 2022		31 December 2021	
	Number of shares	Rm	Number of shares	Rm
Shares in issue				
Movement during the year				
Statutory shares in issue	**262 052 195**	**3 042**	263 905 660	3 100
Shares in issue	**263 905 660**	**3 100**	263 905 660	3 100
Shares repurchased and cancelled	**(1 853 465)**	**(58)**	–	–
Treasury shares and share options	**(16 389 205)**	**(442)**	(15 487 983)	(419)
Balance at beginning of year	**(15 487 983)**	**(419)**	(14 487 668)	(406)
Share plan shares purchased	**(1 313 532)**	**(36)**	(1 281 112)	(33)
Share plan shares disposed of	**73 404**	**2**	54 183	1
Vested share awards	**338 906**	**11**	226 614	19
Closing balance	**245 662 990**	**2 600**	248 417 677	2 681
Treasury shares and share options				
Held by Dinokana	**6 719 759**	**170**	6 719 759	170
– 73.86% (2021: 73.6%) owned by Sun International	**4 963 214**	**41**	4 963 214	41
– 26.14% (2021: 26.14%) owned by Dinokana minorities	**1 756 545**	**129**	1 756 545	129
Held by the Sun International Employee Share Trusts	**2 597 419**	**85**	2 597 419	85
Share plan shares	**7 072 027**	**187**	6 170 805	164
	16 389 205	**442**	15 487 983	419

1 313 532 (31 December 2021: 1 281 112) RSP and CSP shares were purchased during the year under review and 412 310 (31 December 2021: 280 797) RSP, CSP and BMSP shares were disposed of. Sun International repurchased 1 853 465 of its own shares at an average price of R31.14. These shares have reverted to authorised but unissued shares.

(a) Share incentive schemes

The group currently has the following share incentive schemes in place, the details of which are set out below:

(i) Restricted share plan and Bonus share matching plan (RSP and BSMP)

RSP and BSMP shares are group shares granted to key staff in return for continuing employment with the group. The shares will be forfeited and any dividends received on the RSP shares will be repayable should the employee leave the group prior to the expiry of the vesting period. The vesting period is three years where 100% of the shares awarded will vest after three years of employment.

(ii) Deferred bonus plan (DBP)

DBP shares are group shares acquired by senior executives with a portion of their declared annual bonus and entitle the participant to receive a matching award (an equal number of group shares as acquired) at the end of a three-year period. The matching award is conditional on continued employment and the DBP shares being held by the participant at the end of the three year period. The DBP is no longer being utilised.

(iii) Equity growth plan (EGP)

EGP rights provide senior executives with the opportunity to receive shares in the group through the grant of conditional EGP rights, which are rights to receive shares equal in value to the appreciation of the group share price between the date on which the conditional EGP rights are granted and the date on which they are exercised, subject to the fulfilment of predetermined performance conditions over a specified performance period. The performance condition applied to the grants is that the group's AHEPS should increase by 2% per annum above inflation over a three-year performance period. If the performance condition is not met at the end of three years these awards lapse. The EGP is no longer being utilised.

24. Share capital and premium continued

(iv) Conditional share plan (CSP)

CSP awards were provided to senior executives with the opportunity to receive shares in Sun International Limited by way of a conditional award subject to the fulfilment of predetermined performance conditions on the expiry of a three-year performance period. 2020 awards' percentage of vesting will be based on a sliding scale where 0% will vest if 2019 EBITDA or less is achieved and up to 100% vesting if 2019 EBITDA + 10% is achieved.

Movement in the number of share rewards for the current year is as follows:

	RSP and BSMP		DBP		EGP		CSP	
	Number of Grants	Weighted average grant price	Number of Grants	Weighted average grant price	Number of Grants	Weighted average grant price	Number of Grants	Weighted average grant price
Balance as at 31 December 2020	3 423 247	22.09	4 672	85.47	2 398 210	60.00	1 404 796	6.73
Granted during the year	685 316	25.80	–	–	–	–	1 114 345	7.18
Sold	(173 879)	58.76	–	–	–	–	–	–
Retained	(52 735)	59.17	–	–	–	–	–	–
Forfeited	(182 961)	20.86	–	–	(1 987 334)	60.08	(129 443)	6.64
Balance as at 31 December 2021	**3 698 988**	**20.59**	**4 672**	**85.47**	**410 876**	**59.66**	**2 389 698**	**6.95**
Granted during the year	399 427	26.02	–	–	–	–	891 070	26.02
Vested: Sold	(237 756)	41.81	–	–	–	–	–	–
Vested: Retained	(101 150)	35.89	–	–	–	–	–	–
Forfeited	(158 077)	20.56	–	–	–	–	(71 438)	7.07
Balance as at 31 December 2022	**3 601 432**	**19.39**	**4 672**	**85.47**	**410 876**	**59.66**	**3 209 330**	**12.24**

Share grants outstanding at the end of the year vest on the following dates subject to the fulfilment of vesting conditions:

	RSP and BSMP		CSP	
	Number of Grants	Weighted average grant price	Number of Grants	Weighted average grant price (ZAR)
2023	**2 464 137**	**14.17**	**1 234 258**	**6.64**
2024	669 703	25.80	1 083 116	7.18
2025	379 979	26.02	890 301	26.02
	3 513 819	**17.67**	**3 207 675**	**12.20**

Valuation of share incentive grants

The fair value of the EGP's is determined using a binomial tree model. The time period between valuation date and vesting date when the option holders cannot exercise their options is incorporated in the model; and the first node corresponds with the grant date. For the DBP, RSP and BSMP the share awards are valued based on the ruling share price on the date of the award. The table below sets out the valuation of awards granted and the assumptions used to value the awards:

	31 December 2022	31 December 2021
RSP/BSMP		
Weighted average grant price	**26**	26
Weighted average 400-day volatility	**n/a**	n/a
Weighted average long term risk rate	**n/a**	n/a
Weighted average dividend yield	**n/a**	n/a
Valuation	**26**	26

The employee share based payment expense for the 12 months was R32 million (2021: R3 million).

25. Borrowings

All borrowings are classified as level 3.

The table below sets out the group's borrowings, measured at amortised cost, as well as the applicable interest rates.

	Interest rate %	Rand Rm	Interest rate %	US Dollar Rm	Total Rm
December 2022					
Non-current borrowings		**5 914**		–	**5 914**
Term facilities	8.5%	**4 600**			**4 600**
Revolving credit facility		**500**			**500**
Boardwalk Mall Company	9.5%	**87**			**87**
Lease liabilities (IFRS 16)		**727**			**727**
Current borrowings		**792**		**746**	**1 538**
Term facilities	8.5%	**400**			**400**
Boardwalk Mall Company	9.5%	**5**			**5**
Lease liabilities (IFRS 16)		**78**			**78**
Shareholder loan from non-controlling interest	0.0%	**36**			**36**
Minority interest loans		**–**	5.00%	**746**	**746**
Short-term banking facilities		**273**			**273**
Total borrowings		**6 706**		**746**	**7 452**
Total borrowings		**6 706**		**746**	**7 452**
Non-current		**5 914**		**–**	**5 914**
Current		**792**		**746**	**1 538**

The fair value of the borrowings approximates their carrying values, except for the V&A loan which, in the prior year, was carried at amortised cost fair value R25 million (31 December 2021). The fair value has been determined on a discounted cash flow basis using a discount rate of 9% (2021: 9%).

As at 31 December 2022, The group Refinanced the Debt, which were accounted for as an extinguishment of the original loan and recognition of a new loan facility.

Below breakdown of the groups fixed/variable facilities:	Fixed/Variable
Term Facilities:	
Five-year bullet loan	Three-month JIBAR plus margin
Three-year bullet loan	Three-month JIBAR plus margin
Five-year amort loan	Three-month JIBAR plus margin
Revolving credit facility	Three-month JIBAR plus margin
Short term banking facilities:	Prime less margin
Other facilities:	
Minority interest loans	Fixed
Boardwalk Mall facility	Three-month JIBAR plus margin
Lease liabilities	Weighted average incremental borrowing rate
Shareholder loan from non-controlling interest	Interest free

25. Borrowings continued

	Interest rate %	Rand Rm	Interest rate %	US Dollar Rm	Total Rm
December 2021					
Non-current borrowings		6 716		–	6 716
Term facilities	6.86%	3 333		–	3 333
Revolving credit facility	6.51%	1 000		–	1 000
Redeemable preference shares	5.97%	1 586		–	1 586
Lease liabilities (IFRS 16)	9.50%	797		–	797
Current borrowings		542		700	1 242
Term facilities	6.86%	305		–	305
V&A loan	9.00%	25		–	25
Lease liabilities (IFRS 16)	9.50%	72		–	72
Shareholder loan from non-controlling interest	0.00%	36		–	36
Minority interest loans		–	5.00%	700	700
Short-term banking facilities^	6.11%	104		–	104
Total borrowings		7 258		700	7 958
Total borrowings		7 258		700	7 958
Non-current		6 716		–	6 716
Current		542		700	1 242

The borrowings are repayable as follows

	Rand		US Dollar		Total	
	31 December 2022 Rm	31 December 2021 Rm	31 December 2022 Rm	31 December 2021 Rm	31 December 2022 Rm	31 December 2021 Rm
6 months or less	**275**	245	**746**	700	**1 021**	945
6 months – 1 year	**517**	297	**–**	–	**517**	297
1 – 2 years	**995**	1 380	**–**	–	**995**	1 380
2 – 3 years	**1 477**	4 698	**–**	–	**1 477**	4 698
3 – 4 years	**485**	54	**–**	–	**485**	54
4 years and onwards	**2 957**	584	**–**	–	**2 957**	584
	6 706	7 258	**746**	700	**7 452**	7 958
Secured					**–**	–
Unsecured					**7 452**	7 958
					7 452	7 958

As at 31 December 2022, interest rates on 1% (2021: 1%) of the group's South African borrowings were fixed, all (2021: 1%) of these fixed borrowings were for periods less than 12 months. The interest rates other than on the V&A loan, approximate those currently available to the group in the market.

A register of non-current borrowings is available for inspection at the registered office of the company.

The group had unutilised borrowing facilities of R2.527 billion (2021: R2.196 billion) at 31 December 2022. None of the undrawn borrowing facilities have fixed interest rates.

25. Borrowings continued

Lease liabilities^

Right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

	31 December 2022 Rm	31 December 2021 Rm
Lease liabilities		
Opening balance	**869**	751
Acquisition of lease	**3**	134
Add lease interest	**82**	85
Less lease payments	**(149)**	(101)
Closing balance	**805**	869
Of which are:		
Current	**78**	72
Non-current	**727**	797

The group debt is ring-fenced to each of South Africa and Nigeria.

In South Africa, the group has R8.3 billion funding facilities from a consortium of South African funders. The Nigerian debt has always been (and remains) ring-fenced to the Federal Palace, without recourse to the group balance sheet.

Cash flow interest rate risk

The group's cash flow interest rate risk arises from cash and cash equivalents and variable rate borrowings. The group is not exposed to fair value interest rate risk as the group does not have any fixed interest bearing financial instruments carried at fair value.

Interest rate sensitivity

A 1% increase in interest rates at 31 December would decrease profit after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	31 December 2022 Rm	31 December 2021 Rm
Profit after tax	**(67)**	(73)

A 1% decrease in interest rates would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide benefits for its stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust this capital structure, the group may issue new shares, adjust the amount of dividends paid to shareholders, return capital to shareholders or buy back existing shares.

The board of directors monitors the level of capital, which the group defines as total share capital, share premium, treasury shares and treasury share options.

In the prior year and consistent with others in the industry, the group's lenders provided a short-term deferral of capital and interest repayments as well as a waiver of covenant levels for the financial period under review, as set out below:

- Capital payments were deferred until 30 June 2021.

The group is not subject to externally imposed capital requirements.

25. Borrowings continued

Financial instruments carried at fair value, by valuation method, are defined as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- the fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2, or
- if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

26. Contract liabilities

	31 December 2022 Rm	Restated* 31 December 2021 Rm
Non financial instruments		
Contract liability	**623**	573
Sun City Vacation Club[1]	**623**	573
Current portion relating to the Sun City Vacation Club contract liability	**(118)**	(116)
	505	457

	31 December 2022 Rm	Restated* 31 December 2021 Rm
Sun City Vacation Club		
Contract liability opening balance[1]	**573**	596
Increase in contract liability due to sales of timeshare	**91**	89
Revenue recognised in the current year	**(122)**	(108)
Recognition of deferred revenue relating to Lefika	**84**	–
Other movements in contract liability, due to termination of contracts	**(3)**	(4)
Contract liability closing balance	**623**	573

1 The Sun City Vacation Club Sales revenue is recognised over either a 5 or 10 year period of the members' contracts, the liability increases/decreases as new membership contracts are entered into or terminated respectively.

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatement refer to note 31.

27. Trade payables and accruals

	31 December 2022 Rm	Restated* 31 December 2021 Rm
Financial instruments		
Trade payables	**262**	162
Other payables	**43**	46
Accrued expenses**	**821**	640
Capital creditors	**19**	39
MVG liability	**72**	55
Cashless liability	**84**	72
Casino levies	**72**	62
Utility provisions	**39**	73
Advanced deposits	**37**	33
	1 449	1 182
Non financial instruments		
VAT	**83**	65
Employee related accruals	**197**	228
Bonus accrual	**121**	84
Post-retirement medical aid liability (refer to note 19.)	**68**	73
Long service award[1]	**28**	31
Accrual for farewell gifts[2]	**4**	4
Other liabilities	**27**	15
Latam gaming tax provision	**164**	164
	2 141	1 846
Non-current portion relating to trade payables and accruals	**(127)**	(123)
	2 014	1 723

** The accrued expenses relate mainly to accruals for other operational costs and professional fees.

1 The group offers employees a long service award. Employees are eligible for such benefits based upon the number of completed years of service. The method of accounting and valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

2 The group offers a farewell gift to employees who are retiring or resigning. Employees are eligible for such based upon the number of completed years of service. The method of accounting and valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually.

The fair value of all non derivative financial instruments approximates their carrying value due to its short term nature.

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatement refer to note 31.

28. Cash flow information

	31 December 2022 Rm	*Restated 31 December 2021 Rm
28.1 Tax paid		
Asset/(liability) at beginning of year	**3**	(51)
Current tax provided	**(470)**	(289)
Non cash Latam additional tax provided	**–**	6
Sun Chile withholding tax paid	**–**	(112)
Asset/(liability) at end of year	**31**	(3)
	(436)	(449)
28.2 Interest paid		
Interest expense	**(573)**	(638)
Interest expense – Lease liabilities (IFRS16)	**82**	85
Imputed interest on loans payable	**11**	10
	(480)	(543)
28.3 Reconciliation of changes in liabilities arising from financing activities		
Opening debt balance (excluding IFRS 16 lease liabilities)	**7 089**	7 673
Cash flows		
Additional borrowings	**775**	1 094
Repayment of borrowings	**(1 263)**	(1 692)
IFRS 9 Debt modification adjustment	**–**	(43)
Forex movements	**46**	57
Closing debt balance (excluding IFRS 16 lease liabilities)	**6 647**	7 089

* The prior year comparative financial information was restated to reflect corrected reclassifications and errors. For further information on the restatement refer to note 31.

29. Subsidiaries with non-controlling interests

(a) Disposals and acquisitions

December 2022

Refer to note 10 and 22 regarding acquisitions and disposals made.

December 2021

Refer to note 10 and 22 regarding acquisitions and disposals made.

(b) Summarised financial information

The following is summarised financial information of material subsidiaries with non-controlling interests. The information is before inter-company eliminations with other companies in the group.

	South Africa						Nigeria
	Afrisun Gauteng Rm	Afrisun KZN Rm	Emfuleni Resorts Rm	SunWest International Rm	Sun Slots Rm	Time Square Rm	Federal Palace (Nigeria) Rm
December 2022							
Statement of comprehensive income							
Profit/(loss) after tax	99	307	22	381	203	(39)	(111)
Total comprehensive income	99	307	22	381	203	(39)	(111)
Non-controlling interest*	5.35%	9.33%	20.34%	35.10%	30.00%	14.25%	50.67%
Profit/(loss) after tax	5	29	4	134	61	(6)	(56)
Total comprehensive income	5	29	4	134	61	(6)	(56)
Statement of financial position							
Current assets	93	121	96	297	157	127	65
Non-current assets	656	767	512	1 109	996	3 076	221
Current liabilities	(520)	(354)	(678)	(1 026)	(385)	(4 326)	(85)
Non-current liabilities	(26)	(70)	9	(103)	(86)	(872)	(1 142)
Net assets	203	464	(61)	277	682	(1 995)	(941)
Net assets attributable to non-controlling interests	11	43	(12)	97	205	(284)	(477)
Statement of cash flows							
Cash flows from operating activities	218	420	95	605	333	548	20
Cash flows used in investing activities	(45)	(43)	(132)	(84)	(146)	(29)	(8)
Cash flows (used in)/from financing activities	(137)	(358)	65	(443)	(255)	(524)	–
Net increase/(decrease) in cash and cash equivalents	36	19	28	78	(68)	(5)	12
Dividends paid to non-controlling interests	–	(23)	–	(126)	(59)	–	–

Dividends paid to the remaining non-controlling interests amounted to R57 million.

29. Subsidiaries with non-controlling interests continued

Interest in subsidiaries*

Subsidiary	Effective ownership Interest %	Principal activities
Sun International (South Africa) Limited (SISA)**	100.0	Operation of casino, hotel and entertainment facilities
Sun Treasury Proprietary Limited**	100.0	Providing funding for businesses within the Sun International group
Dinokana Investments Proprietary Limited**	93.2	Investment holding company
Meropa and Entertainment Proprietary Limited	71.1	Operation of casino, hotel and entertainment facilities
Sun West International Proprietary Limited	64.9	Operation of casino, hotel and entertainment facilities
Afrisun Gauteng Proprietary Limited	94.7	Operation of casino, hotel and entertainment facilities
Emfuleni Resorts Proprietary Limited^	79.7	Operation of casino, hotel, retail and entertainment facilities
Afrisun KZN Proprietary Limited	90.7	Operation of casino, hotel and entertainment facilities
Worcestor Casino Proprietary Limited	64.9	Operation of casino, hotel and entertainment facilities
Transkei Sun International Proprietary Limited	50.1	Operation of casino, hotel and entertainment facilities
Mangaung Sun Proprietary Limited	73.5	Operation of casino, hotel and entertainment facilities
Sun Slots Proprietary Limited	70.0	Gaming route operator and related activities
Sun International Vacation Club Sales Proprietary Limited	100.0	Recruitment of member for the Associations and the marketing and administration of Sun International Vacation Club Association
Teemane Proprietary Limited	74.9	Operation of casino and entertainment facilities
Sun Time Square Proprietary Limited	85.8	Operation of casino, hotel and entertainment facilities
SunBet Proprietary Limited	100.0	Online sports betting and gaming business
Tourist Company of Nigeria Plc	49.33	Operation of casino, hotel and entertainment facilities
SunBet Africa Holdings Limited	70.0	Online sports betting
Boardwalk Mall Proprietary Limited	79.7	Letting of retail and entertainment facilities.
Interest in associate		
Firefly Investments 168 Proprietary Limited	50.0	Investments and related business

* Place of corporation of all the operating subsidiaries within the group are in South Africa, with the exception of Federal Palace; which is Nigeria and SunBet Africa Holdings, which is Mauritius. Dormant entities are not disclosed.

** Sun International holds this investment directly.

^ In the current year Zonwabise repurchased all their shareholding held by SISA for purchase consideration of R5 million with a carrying amount of R12 million, resulting in a loss of R7m million. This reduced the effective shareholding in Emfuleni Resorts Proprietary Limited from 85.1% to 79.7%.

29. Subsidiaries with non-controlling interests continued

	South Africa						Nigeria
	Afrisun Gauteng Rm	Afrisun KZN Rm	Emfuleni Resorts Rm	SunWest International Rm	Sun Slots Rm	Time Square Rm	Federal Palace (Nigeria) Rm
December 2021							
Statement of comprehensive income							
Profit/(loss) after tax	65	205	(10)	194	192	(153)	(74)
Other comprehensive income	–	–	–	–	–	–	–
Total comprehensive income	65	205	(10)	194	192	(153)	(74)
Non-controlling interest	5.35%	9.33%	14.93%	35.10%	30.00%	14.25%	50.67%
Profit/(loss) after tax	3	19	(2)	68	57	(22)	(37)
Total comprehensive income	3	19	(2)	68	57	(22)	(37)
Statement of financial position							
Current assets	59	84	53	254	215	123	48
Non-current assets	668	780	530	1 163	961	3 505	487
Current liabilities	(581)	(369)	(659)	(967)	(294)	(5 576)	(65)
Non-current liabilities	(33)	(68)	(7)	(194)	(86)	(7)	(1 119)
Net assets	113	427	(83)	256	796	(1 955)	(649)
Net assets attributable to non-controlling interests	6	40	(12)	90	239	(279)	(329)
Statement of cash flows							
Cash flows from operating activities	161	253	106	415	294	343	11
Cash flows (used in)/from investing activities	(39)	(46)	(34)	(72)	(79)	(16)	(5)
Cash flows (used in)/from financing activities	(138)	(227)	(62)	(260)	(217)	(325)	–
Net increase/(decrease) in cash and cash equivalents	(16)	(20)	10	83	(2)	2	6
Dividends paid to non-controlling interests	–	(20)	–	(53)	(75)	–	–

Dividends paid to the remaining non-controlling interests amounted to R10 million.

29. Subsidiaries with non-controlling interests continued

(c) Sun International Employee Share Trust (SIEST)

The SIEST has been consolidated in the group's financial statements in terms of IFRS 10 – Consolidated Financial Statements. The SIEST is administered by its trustees. The following judgement was followed in assessing and concluding to consolidate SIEST:

Relevant activity	Control
Determination of the benefits to and the selection of the employees to which the benefit is provided	Sun International has the ability to determine who the beneficiaries would be and the benefits they would receive. Sun International may have determined this initially but the SIEST is not able to amend this requirement. The benefits only accrue to beneficiaries employed by the Sun International group and as such Sun International controls the benefits through the employment of the individuals.
Acquisition and disposals of investments	Sun International has set up the structure so that no acquisitions or disposals of investment may occur without the approval of Sun International. Furthermore, the composition of the Trustees consist of fifteen Trustees of which one is appointed by Sun International Limited, two of the Trustees are independent from the group and twelve are Employees of the group companies. The SIEST key management are the Trustees and majority of the Trustees are employees of the Sun International group. IFRS 10 B51 an investor shall consider the involvement and decisions made at the investee's inception as part of its design and evaluate whether the transaction terms and features of the involvement provide the investor with rights that are sufficient to give it power. Being involved in the design of an investee alone is not sufficient to give an investor control. However, involvement in the design may indicate that the investor had the opportunity to obtain rights that are sufficient to give it power over the investee. Sun International has set up the SIEST so that no decisions can be made without the approval of Sun International Limited. Investments the SIEST holds are controlled by Sun International and therefore indirectly the value of the investments is as a result of the control Sun International exerts over the underlying operations. Sun International has control over the relevant activity
Funding of SIEST Trust	No funding may be obtained without Sun International approving. Sun International provides all funding to the SIEST. Sun International has control over the relevant activity

Sun International controls the SIEST. Sun International has the ability to direct the relevant activities (control), obtain variable returns and has the ability to use the control to affect the variable returns.

The SIEST was originally established in 2003 for the benefit of certain employees of the group, with the intention that the said employees would benefit from the proceeds and/or distributions received by the Trust as a result of its direct or indirect shareholding in group companies. Sun International defined the benefits and continues to determine what benefits are provided to employees through SIEST. Only employees of the Sun International group may benefit from the investments in the SIEST.

As such, Sun International was involved in the purpose and design and continues to be involved. The SIEST is considered a structured entity as it is not governed by voting rights.

The economic interest held by the SIEST in group companies is set out below:

	31 December 2022	31 December 2021
Afrisun Gauteng	**3.5%**	3.5%
Emfuleni Resorts	**3.5%**	3.5%
SunWest	**3.3%**	3.3%
Meropa	**3.5%**	3.5%
Teemane	**3.5%**	3.5%
Afrisun KZN	**3.5%**	3.5%
Mangaung Sun	**3.5%**	3.5%
Worcester	**3.5%**	3.5%
Sun International Limited – direct	**1.9%**	1.9%
– indirect	**0.9%**	0.9%
Sun Time Square	**3.5%**	3.5%

30. Related party transactions

Key management personnel have been defined as: Sun International Limited board of directors and Sun International Management executive team with group oversight. The definition of related parties includes the close members of family of key management personnel and any entity over which key management exercises control. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with the group. They may include the individual's domestic partner and children, the children of the individual's domestic partner and dependents of the individual or the individual's domestic partner.

(a) Key management compensation

	31 December 2022 R'000	31 December 2021 R'000
Non-executive directors fees		
S Sithole (Chairman)	**725**	1 271
JA Mabuza[1]	**–**	1 418
PDS Bacon[2]	**163**	566
BLM Makgabo-Fiskerstrand[3]	**200**	486
SN Mabaso-Koyana	**829**	541
EAMMG Cibie[4]	**678**	575
CM Henry	**886**	765
GW Dempster	**874**	735
TR Ngara	**703**	378
ZP Zatu Moloi	**681**	494
NT Payne	**698**	207
D Marole[5]	**291**	–
	6 728	7 436

1. Passed away on 16 June 2021
2. Retired on 31 March 2022
3. Retired on 10 May 2022
4. Retired on 31 December 2022
5. Appointed on 12 May 2022.

Executive directors and key management remuneration

	Basic remuneration R'000	Bonuses/ performance related payments R'000	Retirement contributions R'000	Other benefits R'000	Total remuneration excluding share awards R'000	Fair value of share awards expensed R'000	Total remuneration inclusive of share awards R'000
December 2022							
Full Time Directors**							
AM Leeming	**7 797**	**8 206**	**1 058**	**189**	**17 250**	**5 183**	**22 433**
N Basthdaw	**4 120**	**3 435**	**550**	**34**	**8 139**	**2 488**	**10 627**
Sub Total	**11 917**	**11 641**	**1 608**	**223**	**25 389**	**7 671**	**33 060**
Prescribed Officers							
G Wood	**4 004**	**4 327**	**596**	**127**	**9 054**	**2 051**	**11 105**
AG Johnston	**2 977**	**2 201**	**423**	**217**	**5 818**	**921**	**6 739**
VL Robson	**2 909**	**2 106**	**499**	**54**	**5 568**	**998**	**6 566**
Sub Total	**9 890**	**8 634**	**1 518**	**398**	**20 440**	**3 970**	**24 410**
Total	**21 807**	**20 275**	**3 126**	**621**	**45 829**	**11 641**	**57 470**

* All the directors and prescribed officers are paid by SIML.
** These two directors have a six months notice period.

30. Related party transactions continued

	Basic remuneration R'000	Bonuses/ performance related payments R'000	Retirement contributions R'000	Other benefits R'000	Total remuneration excluding share awards R'000	Fair value of share awards expensed R'000	Total remuneration inclusive of share awards R'000
December 2021							
Full Time Directors							
AM Leeming	6 554	3 708	726	289	11 277	3 752	15 029
N Basthdaw	3 519	1 361	386	77	5 343	1 808	7 151
Sub Total	10 073	5 069	1 112	366	16 620	5 560	22 180
Prescribed Officers							
G Wood	3 322	1 368	437	122	5 249	960	6 209
AG Johnston	2 519	872	298	265	3 954	894	4 848
VL Robson	2 514	835	351	89	3 789	974	4 763
MZ Miller#	492	–	16	616	1 124	–	1 124
Sub Total	8 847	3 075	1 102	1 092	14 116	2 828	16 944
Total	18 920	8 144	2 214	1 458	30 736	8 388	39 124

* All the directors and prescribed officers are paid by SIML.
\# Resigned in 2021

Movements on share grants to executive directors and other key management is set out below:

	31 December 2022		31 December 2021	
	Executive and other management	Average grant price	Executive and other management	Average grant price
EGP				
Opening balance	**195 641**	**59.66**	1 639 688	60.01
Movement in key management	–	–	(123 402)	60.01
Exercised		–		
Lapsed: termination of employment	–	–	(134 084)	60.01
Lapsed: vesting condition not met	–	–	(1 186 561)	60.08
Granted	–	–	–	–
Closing balance	**195 641**	**59.66**	195 641	59.66
RSP & BSMP				
Opening balance	**1 035 580**	**16.16**	1 058 492	15.94
Movement in employees	–	–	(143 563)	18.77
Lapsed: termination of employment	–	–	(23 258)	60.08
Lapsed: vesting condition not met	–	–	(33 396)	15.94
Exercised	–	–	177 305	25.80
Closing balance	**1 035 580**	**16.16**	1 035 580	16.16
CSP				
Opening balance	**802 687**	**6.77**	645 093	6.64
Movement in key management	–	–	(197 020)	6.64
Vested	–	–	–	–
Lapsed: termination of employment	–	–	–	
Granted	**755 921**	**26.02**	354 614	7.16
Closing balance	**1 558 608**	**16.11**	802 687	6.77

30. Related party transactions continued

Share awards held by executive directors by scheme

	31 December 2022		31 December 2021	
	AM Leeming	N Basthdaw	AM Leeming	N Basthdaw
EGP	**108 109**	**34 394**	795 028	345 984
CSP	**344 565**	**134 923**	194 100	76 005
RSP & BSMP	**378 377**	**196 216**	314 933	171 976
Opening balance	**831 051**	**365 533**	1 304 061	593 965
Vested	**–**	**–**	(11 788)	(5 219)
Lapsed: vesting conditions not met	**–**	**–**	(686 919)	(311 590)
Granted	**414 019**	**205 327**	225 697	88 377
Closing balance	**1 245 070**	**570 860**	831 051	365 533
EGP	**108 109**	**34 394**	108 109	34 394
CSP	**758 584**	**340 250**	344 565	134 923
RSP & BSMP	**378 377**	**196 216**	378 377	196 216

Share awards held by prescribed officers by scheme

	31 December 2022		
	G Wood	AG Johnston	VL Robson
EGP	**–**	**27 153**	**25 985**
CSP	**126 209**	**100 659**	**96 331**
RSP & BSMP	**196 604**	**122 299**	**142 084**
Opening balance	**322 813**	**250 111**	**264 400**
Granted	**127 527**	**4 879**	**4 169**
Closing balance	**450 340**	**254 990**	**268 569**
EGP	**–**	**27 153**	**25 985**
CSP	**253 736**	**105 538**	**100 500**
RSP & BSMP	**196 604**	**122 299**	**142 084**

	31 December 2021					
	G Wood	AG Johnston	VL Robson	DR Mokhobo	M Wilson	MZ Miller
EGP	–	123 245	117 945	113 159	10 243	134 084
CSP	67 000	56 703	54 265	55 024	51 334	90 662
RSP & BSMP	167 000	103 515	124 109	74 807	68 756	33 396
Opening balance	234 000	283 463	296 319	242 990	130 333	258 142
Vested	–	(3 194)	(3 057)	–	–	
Lapsed: vesting conditions not met	–	(96 092)	(91 960)	(242 990)	(130 333)	(258 142)
Granted	88 813	65 934	63 098			
Closing balance	322 813	250 111	264 400	–	–	–
EGP	–	27 153	25 985	–	–	–
CSP	126 209	100 659	96 331	–	–	–
RSP & BSMP	196 604	122 299	142 084	–	–	–

30. Related party transactions continued

(b) Other related party relationships

Management agreements are in place between SIML and various group companies. A management fee is charged by SIML in respect of management services rendered.

SIML has a rental agreement with Firefly to the amount of R26 million per annum, while the group has a 50% equity stake in Firefly, that is accounted as a joint venture in the group results (jointly controlled entity). SIML has a loan receivable from FireFly with a balance of R25 million (2021: R22 million) at end of the year. SIML also has a right-of-use asset of R92 million and a lease liability of R157 million recognised.

The group also have a shareholder loan with the minorities interest of Time Square, the initial loan amounting to R186 million, subsequently R150 million was repaid by Time Square. The amount outstanding at year end amounts to R36 million. This shareholder loan is an on demand loan with no fixed repayment period and as at 31 December 2022 at a 0% (2021 – 0%) interest. This debt in unsecured with no ECL provision.

There have been no further changes to the director's interest in the table above between the end of the financial year and 10 March 2023.

The group have subordination agreements to provide financial support to subsidiaries within the group.

31. Restatement

The following table summarises the impact of reclassifications and prior period errors in the financial statements of the group. These have no impact on both basic and diluted earnings per share as presented in note 9.

	31 December 2021 Rm	31 December 2020 Rm
Consolidated statement of financial position		
Property, plant and equipment as previously stated	9 091	9 333
Correction to Investment property^	(61)	–
Property, plant and equipment restated	9 030	9 333
Intangible assets as previously stated	902	956
Correction of error whereby Vacation Club is presented as a Contract asset**	(88)	(90)
Intangible assets restated	814	866
Investment property as previously stated	–	–
Correction from property, plant and equipment^	61	–
Investment property restated	61	–
Non-current contract asset as previously stated	–	–
Correction of error whereby Vacation Club is presented as a Contract asset**	69	71
Non-current contract asset restated	69	71
Current Contract asset as previously stated	–	–
Correction of error whereby Vacation Club is presented as a Contract asset**	19	19
Current Contract asset restated	19	19
Trade and other receivables as previously stated	1 224	1 110
Reclassification of current tax receivable presented separately on the statement of financial position$	(107)	(94)
Trade and other receivables restated	1 117	1 016
Current tax receivable as previously stated	–	–
Reclassification of current tax receivable presented separately on the statement of financial position$	107	94
Current tax receivable restated	107	94
Non-current trade payables and accruals as previously stated	–	–
Reclassification correction*	123	115
Non-current trade payables and accruals restated	123	115
Non-current contract liabilities as previously stated	580	698
Reclassification correction*	(123)	(227)
Non-current contract liabilities restated	457	471
Current trade payables and accruals as previously stated	1 827	1 849
Reclassification correction*	(104)$	(33)*,$
Current trade payables and accruals restated	1 723	1 816
Current tax payable as previously stated	–	–
Reclassification of current tax payable presented separately on the statement of financial position$	104	145
Current tax payable restated	104	145
Deferred tax assets as previously stated	1 345	1 208
Correction between categories in deferred tax^^	(204)	(127)
Deferred tax assets restated	1 141	1 081
Deferred tax liabilities as previously stated	440	330
Correction between categories in deferred tax^^	(204)	(127)
Deferred tax liabilities restated	236	203

^ Included in the correction is the Boardwalk Mall property to an IAS 40: Investment property due to the nature of Boardwalk Mall is that of investment property, however this has no impact on the statement of comprehensive income. Refer to Note 13.

$ Current tax receivable and payable reclassified to be disclosed separately on the statement of financial position, this has no impact on the statement of comprehensive income.

* Reclassification correction from other liabilities to trade payables and accruals. This has no impact on the statement of comprehensive income.

** Included in the restatement is the correction of Vacation Club that has been incorrectly disclosed as an intangible asset per IAS 38, has now been corrected to be treated as per IFRS 15: Contract asset, however this has no impact on the statement of comprehensive income. Refer to Note 14.

^^ Included in the restatement is the correction of the deferred tax balance between the deferred tax asset and liability and across the different categories of accelerated asset allowances/prepaid expenses, assessed losses, contract liabilities and trade and other accruals, which were previously misallocated. The restatement achieves the correct disclosure of deferred tax and this restatement has no impact on the statement of comprehensive income.

31. Restatement continued

Statement of cash flows

The statement of cash flows was previously disclosed using both the direct and indirect method incorrectly. The prior year statement of cash flows was restated using only the indirect cash flow method. In the 2021 financial statements, the group disclosed cash generated by operations of R1 547 million before insurance receipts of R522 million, Vacation Club timeshare sales of R89 million and taxes paid of R449 million totaling R1 709 million. These figures have been combined in the current year's financial statements to reflect cash generated by operations for 2021 of R1 694 million (after the R15 million Vacation Club adjustment referred to below). Furthermore, the reconciliation of profit for the year to cash generated by operations is now presented on the face of the statement of cash flows, instead of in the notes.

In addition Contract asset outflow of R15 million was recognised and restated to working capital, which was previously recognised as an addition to intangible assets, which resulted in prior years operating activities being different to the current year.

A Contract asset was recognised and restated to working capital, which was previously recognised as intangible assets. This resulted in prior year investing activities being different to current year.

	31 December 2021 Rm
Net cash inflow from operating activities as previously stated	1 709
Vacation Club error – additions	(15)
Net cash inflow from operating activities restated	1 694
Net cash outflow from investing activities as previously stated	(528)
Vacation Club error – additions	15
Net cash outflow from investing activities restated	(513)

32. Contingent assets and liabilities

The group is subject to commitments and contingencies, which occur in the normal course of business, including legal proceedings and claims that cover a wide range of matters. The group has the following exposures:

Nigeria

The Tourist Company of Nigeria continues to experience difficulties engaging with the tax authorities in Nigeria to confirm any tax principles to obtain certainty, or settle outstanding matters. The group with the assistance of its external tax and legal advisors has estimated the potential exposure of these disputes and other matters taken to the relevant local courts as R85 million (31 December 2021: R84 million). On consultation with these advisors, it has been established that it is not probable that TCN will be liable.

Dreams S.A. disposal price contingent receivable.

Refer to note 10. Management has assessed the fair value of this contingent asset as nil at 31 December 2022.

33. Financial risk management

Credit risk management

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

- Derivative financial instruments – refer to note 17.
- Trade and other receivables – refer to note 20.
- Cash and cash equivalents – refer to note 22.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset determined to be exposed to credit risk.

The company has no significant concentrations of credit risk with respect to trade receivables due to a widely dispersed customer base. Credit risk with respect to loans and receivables is disclosed in note 20.

Wherever a reference is made to trade receivables, as part of the note it includes both classes of trade receivables as set out in note 20: Net trade receivables and casino debtors.

Impairment of financial assets

The group has two types of financial assets that are subject to the ECL model:

- trade receivables – net receivables and casino debtors
- financial instruments carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9: Financial Instruments, the identified impairment loss was immaterial.

33. Financial risk management continued

Trade receivables and Casino Debtors

The group applies the IFRS 9 simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

On that basis, the loss allowance as at 31 December 2022 and 31 December 2021 was determined as follows for trade receivables. Refer to note 20 for the analysis of net receivables and casino debtors presented separately.

	Current %	Past due by 1 to 30 days %	Past due by 31 to 60 days %	Past due by 61 to 90 days %	Past due by more than 90 days %	Total
31 December 2022						
Expected loss rate %	**0.00%**	**2.70%**	**3.57%**	**0.00%**	**28.97%**	**6.93%**
Gross carrying amount – trade receivables	**296**	**37**	**28**	**8**	**107**	**476**
Loss allowance	**–**	**(1)**	**(1)**	**–**	**(31)**	**(33)**
31 December 2021						
Expected loss rate %	1.04%	3.45%	10.00%	20.00%	27.47%	9.19%
Gross carrying amount – trade receivables	193	29	10	5	91	328
Loss allowance	(2)	(1)	(1)	(1)	(25)	(30)

Trade receivables and casino debtors are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on trade receivables and casino debtors are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Liquidity risk management and capital risk management

Liquidity risk is the risk that the group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The group has substantial borrowings and other financial liabilities.

To manage liquidity risk, the group will continue to remain cash generative and has forecast (refer to accounting policies section – going concern and Note 25 for further details) to generate sufficient operating cash flows to meet the requirements of the business and make repayments of the financial liabilities as they become due. The group further has the following facilities available should it require additional funds to meet its obligations.

	31 December 2022 Rm	31 December 2021 Rm
Banking facilities:		
Total banking facilities	**9 979**	10 154
Less: Drawn down portion	**(7 452)**	(7 958)
Total undrawn banking facilities	**2 527**	2 196
Available cash balances	**546**	374

The group's debt funding is subject to debt covenants which are reviewed on an ongoing basis.

The following tables compare the contractual cash flows of debt owed at 31 December 2022 and 31 December 2021, with the carrying amount in the consolidated statement of financial position, in Rands. The contractual amounts reflect the differences from carrying amounts due to the effects of discounting and premiums. Interest is estimated assuming interest rates applicable to variable rate debt remain constant.

The group has internal control processes and contingency plans for managing liquidity risk and has instruments that are subject to master netting agreements.

33. Financial risk management continued

	On demand or not exceeding six months Rm	More than six months but not exceeding one year Rm	More than one year but not exceeding two years Rm	More than two years but not exceeding four years Rm	More than four years Rm	Imputed interest Rm
December 2022						
Term facilities	**414**	**406**	**795**	**1 761**	**3 250**	**1 626**
Shareholder loan from non-controlling interest	**36**	**–**	**–**	**–**	**–**	**–**
Minority shareholder loan	**765**	**–**	**–**	**–**	**–**	**19**
Boardwalk Mall	**4**	**10**	**15**	**15**	**86**	**39**
Lease liabilities	**75**	**73**	**154**	**127**	**665**	**289**
Short term banking facilities	**12**	**284**	**–**	**–**	**–**	**23**
Revolving credit facility	**21**	**21**	**542**	**–**	**–**	**84**
Trade payables	**262**	**–**	**–**	**–**	**–**	**–**
Accrued expenses	**121**	**–**	**–**	**–**	**–**	**–**
Capital creditors	**19**	**–**	**–**	**–**	**–**	**–**
Other payables	**43**	**–**	**–**	**–**	**–**	**–**
Put option liability	**–**	**–**	**974**	**–**	**–**	**–**
	1 772	**794**	**2 480**	**1 903**	**4 001**	**2 080**
December 2021						
Term facilities	277	272	534	3 238	–	683
Shareholder loan from non-controlling interest	36	–	–	–	–	–
Minority shareholder loan	718	–	–	–	–	18
V&A loan	26	–	–	–	–	1
Redeemable preference shares	47	47	95	1 681	–	284
Lease liabilities	73	80	151	267	639	341
Short term banking facilities	3	108	–	–	–	7
Revolving credit facility	33	33	1 065	–	–	131
Trade payables	162	–	–	–	–	–
Accrued expenses	640	–	–	–	–	–
Derivative financial instruments	–	56				
Other payables	380	–	–	–	–	–
Put option liability	464	–				
	2 859	596	1 845	5 186	639	1 465

Market risk – interest rate risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The group has market risk related to variable rate instruments.

The group has taken out certain derivative instruments to manage the interest rate risk.

Cash flow hedge

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in other comprehensive income. The ineffective portion is recognised immediately in profit or loss in the respective line items. Amounts deferred to the hedging reserves are recognised through profit and loss in the same period in which the hedged item affects profit and loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss on the hedging instrument recognised in equity is retained in equity until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in equity is transferred to profit or loss for the period. Refer to note 17.

33. Financial risk management continued

	31 December 2022	31 December 2021
	Sun Treasury interest rate swaps	Sun Treasury interest rate swaps
Notional amount	**–**	–
Fixed interest rate	**–**	6,61%
Variable rate	**–**	Linked to quarterly Jibar
Fair value liability	**–**	(R56 million)
Net profit on cash flow hedges	**R56 million**	R59 million

A 1% increase in interest rates would decrease profit after tax by the amounts shown below. This analysis assumes that all other variables remain constant.

	31 December 2022	31 December 2021
Profit after tax	**(67)**	(73)

A 1% decrease in interest rates would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Market risk – foreign exchange rate risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The group operates internationally and some of its financial assets and liabilities are denominated in a currency other than the presentation currency of the group (ZAR).

A 10% strengthening in the ZAR against the currencies that the underlying balances are denominated in at 31 December 2022 would increase/(decrease) profit before tax by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis was performed on the same basis for 31 December 2021.

	31 December 2022	31 December 2021
US Dollar	**(9)**	(4)
Chilean Peso	**(6)**	1
Nigerian Naira	**3**	5

A 10% weakening in the ZAR against these currencies would have an equal but opposite effect to the amounts shown above, on the basis that all other variables remain constant.

Market risk – price risk

This is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The group doesn't have significant price risk exposure.

Fair value measurement

Certain financial instruments are either measured at fair value or the fair value is required to be disclosed. The fair values are set out in the individual notes to which this relates.

33. Financial risk management continued

Credit Quality of Lenders

Table below depicting the Credit rating of our various lenders.

	Credit Rating	
Institution	2022	2021
Nedbank	**BB-**	BB-
Standard Bank	**BB-**	AA+
ABSA Bank Ltd	**BB-**	BB-
Investec	**BB-**	BB-
Sanlam	**AA+**	AA+
Rand Merchant Bank (RMB)	**BB-**	BB-

34. Subsequent events

No significant subsequent events after 31 December 2022 and before the date of the annual financial statements being signed were noted.

Subsequent to year end the Board has declared a final gross cash dividend for the year ended 31 December 2022 of 241 cents, 193 cents net of dividend withholding tax, payable to shareholders recorded in the register of the company at the close of business on 31 March 2023.

The financial statements have been prepared under the historical cost convention except as disclosed in the annexure to these financial statements. The policies used in preparing the financial statements are consistent with those of the previous year except in instances where new accounting standards or amendments have been adopted. There has been no material impact on the adoption of new accounting standards or amendments on the group financial statements. These accounting policies are set out below:

Group accounting

Subsidiaries

Subsidiaries are those entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

The group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the minority's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Any contingent consideration to be transferred by the group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability are recognised in accordance with IFRS 9 either in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the group.

The company accounts for subsidiary undertakings at cost less impairments.

Equity-accounted investments

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The cost of associates or joint ventures that were former subsidiaries of the group is the fair value of the percentage investment retained on the date that control is lost. If the ownership interest in an associate or joint venture is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate. The group's investment in associates includes goodwill identified on acquisition.

The group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment.

Profits and losses resulting from upstream and downstream transactions between the group and its associate or joint venture are recognised in the group's financial statements only to the extent of unrelated investors' interests in the associates or joint ventures. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

Impairment

The group determines at each reporting date whether there is any objective evidence that the investment in the associate or joint venture is impaired. If this is the case, the group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of equity-accounted investments' in the statement of comprehensive income.

Associates

Associates are all entities over which the group has significant influence but does not control. Investments in associates are accounted for using the equity method of accounting.

Joint arrangements

The group applies IFRS 11 to all joint arrangements. Under IFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The group accounts for joint ventures, using the equity method and accounts for a joint operation, for its proportionate share of its assets and liabilities.

Investment in listed shares

Investments in equity instruments not held for trading are measured at fair value through OCI. At initial recognition the investment is measured at fair value, net of transaction costs. Dividend income is recognised as income in profit and loss.

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Separately recognised goodwill is assessed for impairment on an annual basis or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. Goodwill is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. The calculation of gains and losses on the disposal of an entity includes the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

Contract asset

Relates to the Vacation Club asset from expenses incurred which makes the Vacation Club product possible, in the absence of these expenses being capitalised against this asset the various timeshare contracts will not be in existence whereby future economic benefits can be realised from. The contract cost asset is amortised over the period of the products (time share contracts) being sold. Future expenses incurred in this regard are capitalised to the current asset and amortised over the period of the timeshare products sold.

Intangible assets

The below intangible assets are accounted for at cost less accumulated amortisation and impairment losses.

	Useful Life
Computer software	4 to 15 years
Bid cost	Period of the license and/or up to a maximum of 25 years
Licences	Period of the license and/or up to a maximum of 25 years
Exclusivity agreements	Period of exclusivity period
Goodwill	Indefinite life
Leasehold premiums	Period of the lease
Trademarks	Period of trademark

Expenditure on leasehold premiums anticipated, successful gaming licence bids, computer software and acquired management contracts are capitalised and amortised using the straight-line method.

Costs associated with developing or maintaining computer software programs are recognised as an expense as incurred. However, costs that are directly associated with identifiable and unique software products controlled by the group and which have probable economic benefits exceeding the costs beyond one year are recognised as intangible assets. Direct costs include employee costs of the software development team and an appropriate portion of the relevant overheads.

Intangible assets are not revalued.

Inventory

Inventory comprises merchandise, consumables and food and beverage stock. Merchandise and consumables are valued at the lower of cost and net realisable value on a first-in, first-out basis. Food and beverage stock is valued at the lower of cost and net realisable value on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less any costs necessary to make the sale.

Foreign currency translation

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand which is the group's presentation currency.

Transactions and balances

Transactions denominated in foreign currencies are translated at the rate of exchange ruling on the transaction date. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period or payment date. Gains or losses arising on translation are credited to or charged to the statement of comprehensive income.

Foreign entities

The financial statements of foreign entities which are not accounted for as entities operating in hyper inflationary economies, that have a functional currency different from the presentation currency are translated into South African Rands as follows:

Property, plant and equipment

Freehold land is included at cost and not depreciated.

All other items of property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land) less the residual values over their useful life, using the straight-line method. The principal useful lives over which the assets are depreciated are as follows:

Freehold and leasehold buildings	10 to 50 years
Infrastructure	5 to 50 years
Plant and machinery	4 to 25 years
Furniture and fittings	5 to 15 years
Operating equipment[1]	Based on usage
Right of use assets held under leases	Shorter of the asset's useful life and the term of the lease
Trademarks	Period of trademark

1. Operating equipment includes uniforms, casino chips, kitchen utensils, crockery, cutlery and linen.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

When the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Costs arising subsequent to the acquisition of an asset are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is then derecognised. All other repairs and maintenance costs are charged to the statement of comprehensive income during the financial period in which they are incurred.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such a time as the assets are substantially ready for their intended use. Borrowing costs and certain direct costs relating to major capital projects are capitalised during the period of development or construction.

All other borrowing costs are recognised in profit and loss in the period which they are incurred.

Investment property

Investment property applies to the accounting for property held to earn rentals. Investment properties are initially measured at cost and subsequently measured using a cost model cost less accumulated depreciation and less accumulated impairment losses. Depreciation is recognised so as to write off the cost less residual value over the useful life using straight-line method. Investment property is depreciated over 50 years.

Impairment of non-financial assets

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting period.

Pre-opening expenditure

Pre-opening expenditure is charged directly against income and separately disclosed. These costs include all marketing, operating and training expenses incurred prior to the opening of a new hotel or casino development.

Non-current assets held for sale

Non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. The asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and sale must be highly probable. For the sale to be highly probable, management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and the entity remains committed to its plan to sell the asset.

IFRS 9 financial instruments

It is noted that management have not applied IFRS 9 hedge accounting and have opted to continue using the IAS 39 requirements for fair value macro-hedges until such time as the Macro- hedges project is finalised by the IFRS board.

(i) Classification and measurement

Financial instruments have been classified into the appropriate IFRS 9 categories.

	Measurement category	Notes
Non-current financial assets		
Loan receivables	Amortised cost	20.1
Investment in listed shares	FVOCI	16
Current financial assets		
Loan receivables[a]	Amortised cost	20.1
Other receivables[b]	Amortised cost	20
Trade receivables[c]	Amortised cost	20.2
Casino receivables[d]	Amortised cost	20.3
Cash and cash equivalents	Amortised cost	22
Non-current financial liabilities		
Borrowings	Amortised cost	25
Put option liability	Amortised cost	18
Derivative financial instrument	FVOCI	17
Current financial liabilities		
Trade and other payables[e]	Amortised cost	27
Derivative financial instrument	FVOCI	17
Borrowings	Amortised cost	25

Notes:

a Loan receivables consists of loans with a contractual period greater than 12 months. These are represented by mainly preference shares issued within the group and enterprise development loans.

b Other receivables relates to miscellaneous receivables held by the respective subsidiaries, these include amongst other rental and concessionaire receivables, sundry receivables and remote point receivables.

c Trade receivables consists mainly of large tour operators.

d Casino receivables consists of a selection of VIP casino customers.

e Trade and other payables consists of standard operational payables, contract and concessionaire payables.

1. Impairment of financial assets

The group has complied with all IFRS 9 Financial Instruments impairments requirements, refer to note 17

The IFRS 9 three-stage impairment approach was followed:

- stage 1 covers instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk. Twelve-month ECLs are recognised
- stage 2 covers financial instruments that have deteriorated significantly in credit quality since initial recognition but that do not have objective evidence of a credit loss event. Lifetime ECLs are recognised in this stage; and
- stage 3 covers financial assets that have objective evidence of impairment at the reporting date. Lifetime ECLs are recognised in this stage.

A detailed assessment was performed and all the group's financial assets were assessed as a 'stage 1 instrument'. Subsequently no further assessment was needed in terms of the stage 2 and 3 approach.

Risk of default is the likelihood that the borrower cannot pay obligations as they become due.

Categories

The group has the following types of financial assets that are subject to IFRS 9's ECL model:

- trade receivables:

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was considered immaterial given the low probability of default of the group's banking partners.

(i) Trade receivables

Due to the intrinsic nature of trade receivables, where they should mature within a period of less than 12 months, the group follows the general approach to measuring ECLs which uses a lifetime ECL allowance for all trade receivables. This approach included the following:

- separating different categories of trade receivables with similar loss patterns;
- calculating default rates within specific time frames over a specific year using historical credit loss experience; and
- adjusting the default rates with forward looking macroeconomic forecasts.

(ii) Debt instruments carried at amortised cost

Most of the debt instruments within the group represent inter-company loans that eliminate in these consolidated financial statements. At a group level amortised debt instruments include enterprise development loans. The process described below has been consistently applied to loans and other receivables as described above.

Loans with a contractual period

Debt investments held at amortized cost with fixed maturity dates.

Management have assessed the credit risk of these loans and based upon the factors listed below, considered them to be low risk and that there has not been a significant increase in credit risk relating to these loans.

- there have been no significant financial difficulties noted with the issuer or the borrower;
- there have been no breach of contracts or defaults by the borrower;
- it is not probable that any of the borrowers will enter bankruptcy or other financial reorganisation;
- there is still an active market for the borrowers; and
- no existence of deep discounts on the financial assets concerned.

Therefore these loans are considered to be stage 1 loans i.t.o. IFRS 9 and the impairment provision is determined as 12 month's expected credit losses using the simplified approach using the formula PD% x LGD% x EAD.

- the PD ('probability of default') – that is, the likelihood that the borrower would not be able to repay in the very short payment period;
- the LGD ('loss given default') – that is, the loss that occurs if the borrower is unable to repay in that very short payment period; and
- the EAD ('exposure at default') – that is, the outstanding balance at the reporting date.

The PD percentage was supplied by external actuarial consultants. The process and model used in determining these percentages were fully in compliance with the Moody's risk model.

The LGD was calculated after considering the existence of collateral, guarantees and letters of support given by group companies.

The EAD is simply the outstanding balance at the reporting date.

Loans repayable on demand

For loans that are repayable on demand, ECLs are based on the assumption that repayment of the loan is demanded at the reporting date.

Management has assessed the credit risk of these loans and based upon the same factors listed above, considered them to be low risk and that there has not been a significant increase in credit risk relating to these loans.

The first step in the process is to assess whether or not the borrower has sufficient accessible highly liquid assets to repay the loan if demanded at the reporting date. If this is proved to be the case then the ECL was considered to be immaterial.

However, if the borrower could not repay the loan if demanded at the reporting date, the lender considered the following recovery strategies in determining the ECLs.

The maximum period over which expected impairment losses should be measured is the longest contractual period where an entity is exposed to credit risk. In the case of loans repayable on demand, the contractual period is the very short period needed to transfer the cash once demanded (that is typically one day or less). Therefore the impairment provision is based on the assumption that the loan is demanded at the reporting date, and reflects the losses (if any) that have resulted from this.

Where the cash of the borrower was not considered adequate for the lender to fully recover the outstanding balance, the sale of the liquid assets was then considered. Where the liquid assets less the current liabilities indicated that the lender would fully recover the outstanding balance, of the loan, the ECL was considered to be immaterial.

Lastly, where both the available cash and the sale of the liquid assets were not considered adequate for the lender to fully recover the outstanding balance; a fire sale of less liquid assets was then considered and used in calculating the LGD percentage to be used in calculating the ECL using the formula PD% x LGD% x EAD.

The PD percentage was supplied by external actuarial consultants as described above.

The LGD was calculated using the results of a fire sale of all the assets as well as considering the existence of collateral, guarantees and letters of support given by group companies. The EAD is simply the outstanding balance at the reporting date.

(iii) Debt instruments carried at FVPL and FVOCI

The group does not have any debt instruments that are carried at FVPL or FVOCI.

2. Cash and cash equivalents:

IAS 7 defines cash equivalents as ‘short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value’. That is, it should be ‘held for purpose of meeting short-term cash commitments’.

3. Financial liabilities

(i) Borrowings

Borrowings, net of transaction costs, are recognised initially at fair value. Borrowings are subsequently stated at amortised cost using the effective interest rate method. Any difference between proceeds and the redemption value is recognised in the statement of comprehensive income over the period of the borrowing using the effective interest rate method.

Preference shares, which are redeemable on a specific date or at the option of the shareholder or which carry non-discretionary dividend obligations, are classified as borrowings. The dividends on these preference shares are recognised in the statement of comprehensive income as interest expense. Dividends are subject to a 20% withholdings tax.

Borrowings are derecognised when they are extinguished (i.e. when the obligation specified in the contract is discharged, cancelled or expires).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

(ii) Trade Payables

Trade payables of the group are unsecured and carried at amortised cost. Trade payables are classified as current liabilities and are usually settled within 60 days of recognition.

(iii) Derivative financial instrument

IFRS 9 provides an accounting policy choice allowing entities to continue with the hedge accounting requirements of IAS39 until such time as the macro-hedging project is finalised. As of the date of the financial statements, the group has opted to continue in the application of IAS 39 for hedge accounting practices.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions. The fair values of derivative financial instruments designated in hedge relationships and the movements in the hedging reserve in shareholders' equity are shown in note 14. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

(iv) Put option liabilities

The group accounts for all put options as liabilities equal to the present value of the expected redemption amount payable in accordance with the contractual terms of the respective put option agreements in the statement of financial position. Management do not apply any significant judgements and estimates in determining the amount payable, refer to note 18 for the details on the inputs used in determining the expected redemption value.

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity.

Deferred tax is provided in full, using the balance sheet method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Current tax and deferred tax are calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date.

Deferred tax assets relating to the carry forward of unused tax losses are recognised to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised in the foreseeable future.

Companies within the group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure. The group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

Income tax credits related to assets are presented in the statement of financial position by deducting the income tax credit in arriving at the asset's carrying amount. The income tax credit income is recognised in the same period in which the asset is depreciated. This relates to our Latam operations.

Leases

Leases are accounted for in accordance with IFRS 16. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

To determine the incremental borrowing rate, the group:

The group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less that comprises of gaming equipment and vehicles as well as low-value assets comprise IT equipment, small items of office furniture and equipment.

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on the basis of variable payment terms with percentages ranging from 5% to 20% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

The following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the group is typically reasonably certain to extend (or not terminate).
- Otherwise, the group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

Determining the incremental borrowing rate

The incremental borrowing rate used is the rate the individual lessee would have paid to borrow funds necessary to obtain an asset of similar value to the right of use asset in a similar economic, environment with similar terms, security and conditions. Refer to note 22.

Employee benefits

Defined benefit scheme

The group operates a closed defined benefit pension scheme. The defined benefit pension scheme is funded through payments to a trustee-administered fund, determined by reference to periodic actuarial calculations. The defined benefit plan defines an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset or liability, as applicable, recognised in the statement of financial position in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

Past service costs are recognised immediately in the statement of comprehensive income.

In applying the asset ceiling, the present value of the retirement benefit surplus that may be recognised as an asset is limited to the lower of the amount as determined above, or the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan plus any cumulative unrecognised net actuarial losses and past service costs.

Defined contribution scheme

The group operates a number of defined contribution schemes. The defined contribution plans are provident funds under which the group pays fixed contributions into separate entities. The contributions are recognised as an employee benefit expense when they are due. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Post-retirement medical aid contributions

The group provides limited post-retirement healthcare benefits to eligible employees. The entitlement to these benefits is usually conditional upon the employee remaining in service up to retirement age and the employee must have joined the group before 30 June 2003. Employees are eligible for such benefits on retirement based upon the number of completed years of service. Employees who joined the group after 1 July 2003 are not entitled to any co-payment subsidy from the group upon retirement. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions are recognised in the statement of comprehensive income. These obligations are valued annually by independent qualified actuaries.

Long service awards and farewell function & gifts

The group recognises a liability and an expense for long-service awards as well as farewell functions and gifts where cash is paid, or a gift is provided to employees at certain milestone dates in their careers within the group. The method of accounting and frequency of valuation are similar to those used for defined benefit schemes. The actuarial valuation to determine the liability is performed annually. This liability has been disclosed under contract liabilities and other liabilities in the balance sheet.

Share based payments

The group operates equity-settled, share-based compensation plans. The fair value of the services received in exchange for awards made is recognised as an expense. The total amount to be expensed over the vesting period is determined by reference to the fair value of the grants, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of awards that are expected to become exercisable. At the end of each reporting period, the group revises its estimates of the number of awards that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, and a corresponding adjustment to equity over the remaining vesting period.

Share capital

Ordinary shares are classified as equity. Redeemable preference shares which carry a non-discretionary dividend obligation, are classified as liabilities (see accounting policy for borrowings).

External costs directly attributable to the issue of new shares, other than in a business combination, are shown as a deduction from the proceeds, net of income taxes, in equity.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid including any directly attributable incremental costs apart from brokerage fees (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Income recognition

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Management performed a detail assessment of each revenue stream in terms of the following criteria:

- The unique contract with the customer was identified;
- The various performance obligations in the contract were separately identified;
- The transaction price for the contract was determined;
- The transaction price was allocated to the various separately identifiable performance obligations; and
- We were satisfied that revenue is recognised once the relevant performance obligations are met.

The following income streams were identified and assessed against the scope of IFRS 15:

Net gaming win, including Limited Pay-out Machines (LPMs) and SunBet income.

Gaming transactions represent an agreement between the customer and Sun International whereby, based on the outcome of an event (such as the results of accumulated cards in a hand of play for a table game or the outcome of the individual bet on a slot machine game), either the gaming entity retains the amount bet by the customer or the bet is returned to the customer along with an additional amount effectively representing the gaming entity's side of the bet in the agreement. Accordingly, a single bet transaction either results in a net inflow of consideration to the gaming entity or a net outflow of amounts to the customer. Accordingly, income recognised and reported for gaming transactions is the difference between gaming wins and losses. This is referred to as net gaming win or loss.

The gross gaming revenue itself is treated as an IFRS 9 derivative financial instrument and only the net income (net amount retained after deducting the cash pay-outs from the LPM) is recognised as income.

Hotel and conferencing

The revenue derived from rooms trading and conferencing is included in revenue. Revenue is recognised as performance obligations are met over time as services are rendered.

Payments for the above services rendered are either received in advance, upon check out or through the utilisation of customer loyalty programme.

Food and beverage

The revenue derived from food and beverage sales is included in revenue. Revenue is recognised at a point in time, when the goods are provided to the customer.

Payments for the above services rendered are either received in advance, upon check out, upon purchase of product or through the utilisation of customer loyalty programs.

Other revenue within scope of IFRS 15

The revenue derived from the below revenue streams are included in "other revenue" streams and not considered the main activities of the entity. Revenue is recognised as performance obligations are met over time, and include the following:

- conferencing and entertainment revenue;
- management fees income;
- membership revenue;
- merchandise revenue;
- entrance fee revenue; and
- time share income.

Other income not within the scope of IFRS 15

The following income streams are excluded from the scope of IFRS 15

- Rental income, recognised based on an agreed time period; and
- Concessionaire income, recognised based on an agreed percentage of concessionaire.

Contract liability

The Vacation Club provides services where it receives upfront fixed contract income from a customer in exchange for the specific use of timeshare units at the Sun City entity over a period of time. Revenue from providing services is recognised in the accounting period in which the services are rendered. Revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. As the upfront payments exceed the initial services rendered, a contract liability is recognised. Time share units are sold for a period of 5 to 10 years.

An upfront deposit is paid, and the balance is payable over 12 or 18 months. Interest is separately recognised on the statement of comprehensive income. There have been no significant judgement made in evaluating performance obligation.

Dividend distributions

Dividend distributions to the company's shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are declared.

Dividends are recognised as other income in profit or loss when the right to receive payment is established.

Segmental reporting

Operating segments are reported in the manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as executive management.

The group owns and operates casino, hotel and resort properties in South Africa and Nigeria. The executive management review the operations and allocate resources at a property level.

Segment results include revenue and expenses directly attributable to a segment. Segment results are determined before any adjustment for minority interest. Segment assets and liabilities comprise those operating assets and liabilities that are directly attributable to the segment. Capital expenditure represents the total costs incurred during the period to acquire segment assets.

The group uses adjusted EBITDA as a profit measure.

Operating profit

Operating profit from the core operating activities of group companies is calculated by excluding items that have attributes of either being infrequent or not incurred in the ordinary course of business, which would otherwise not have been considered under IAS 1 Presentation of Financial Statements. Operating profit before net finance costs includes earnings, inter alia, before changes in estimated redemption value of the put option, foreign exchange adjustments, IFRS 9 extinguishment/modification adjustments, net finance costs, share of income from associates and taxes.

Adjusted EBITDA

Adjusted EBITDA and adjusted headline earnings are non-IFRS metrics defined by the group and presented as additional information to the shareholders. Management consider it more reflective of the operating performance of the group. The following adjustments are made to the operating profit of the group to determine adjusted EBITDA:

- Profit/loss on disposal of non-current assets
- Impairment of non-current assets
- Income associated with insurance claims
- Foreign exchange cover profits/losses
- Restructuring cost
- Other non recurring expenses which are unusual and infrequent in nature as a result of unforeseen and atypical events.

Adjusted headline earnings

The adjustments made in determining adjusted EBITDA are either reflected in the headline earnings adjustments required by Circular 1/2021 – Headline earnings, or where not reflected yet in the adjustments prescribed by the Circular or to the extent that it is not reflected in the operating profit:

- Profit/Loss relating to the extinguishment or modification of debt instruments;
- Interest income on non-operating assets;
- Amortisation on assets identified as part of the purchase price allocation in business combinations (IFRS 3, Business Combinations);
- Remeasurements of put option liabilities; and
- Other unusual and infrequent expenses as a result of atypical events.

Accounting policy developments

Accounting policy developments include new standards issued and not yet effective, amendments to standards, and interpretations issued on current standards applicable to the group.

On 31 October 2022, the International Accounting Standards Board (IASB) has published 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as of 1 January 2023.

On 7 May 2021, Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12). The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 8; Definition of Accounting Estimates. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies was issued on 12 February 2021. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2. The amendments are effective for annual reporting periods beginning on or after 1 January 2023.

Amendments were made on 15 July 2020 on Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1).The amendment defers the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.

Management does not expect these standards, amendments and interpretations to have material impact on the group.

COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

	Notes	31 December 2022 Rm	Restated* 31 December 2021 Rm
Dividend income	1	**265**	1
Operational costs	1	**(2)**	(7)
Operating profit/(loss)	1	**263**	(6)
Impairment gain on financial assets	7	**174**	20
Change in value of financial guarantee		**93**	24
Extinguishment and recognition of financial guarantee		**34**	541
Impairment loss on investment in subsidiaries	6	**(22)**	–
Foreign exchange gain		**25**	31
Interest income	2	**14**	31
Interest expense	3	**(8)**	(17)
Profit before tax		**573**	624
Taxation	4	**(12)**	(12)
Profit for the year		**561**	612
Other comprehensive income/(loss)		**–**	–
Total comprehensive profit for the year		**561**	612

* The prior year comparative financial information was restated to reflect corrected errors. For further information on the restatement refer to note 14.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Notes	31 December 2022 Rm	Restated* 31 December 2021 Rm	Restated* 31 December 2020 Rm
ASSETS				
Non-current assets				
Investments in subsidiaries	6	**3 211**	2 682	2 682
Loans and receivables	7	**1 707**	1 967	136
Deferred tax		**–**	–	4
		4 918	4 649	2 822
Current assets				
Loans and receivables	7	**1 131**	1 116	2 956
Current tax receivable		**–**	7	–
Cash and cash equivalents		**94**	3	1
		1 225	1 126	2 957
Total assets		**6 143**	5 775	5 779
EQUITY AND LIABILITIES				
Capital and reserves				
Ordinary shareholders' equity *		**5 621**	5 350	4 738
		5 621	5 350	4 738
Non-current liabilities				
Deferred tax	8	**15**	–	23
		15	–	23
Current liabilities				
Financial guarantees	12	**13**	140	705
Accounts payable, accruals and other*	11	**488**	260	253
Current tax payable		**6**	–	–
Borrowings	10	**–**	25	54
Overdraft		**–**	–	6
Total liabilities		**522**	425	1 041
Total equity and liabilities		**6 143**	5 775	5 779

* The prior year comparative financial information was restated to reflect corrected errors. For further information on the restatement refer to note 14.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

	Notes	31 December 2022 Rm	Restated* 31 December 2021 Rm
Cash flows from operating activities			
Profit for the year		**561**	612
Adjusted for:			
Tax expense		**12**	12
Expected credit loss adjustment		**(174)**	(20)
Change in value of financial guarantee		**(93)**	(24)
Extinguishment and recognition of financial guarantee		**(34)**	(541)
Impairment loss of investment in subsidiaries	6	**22**	–
Forex exchange gain		**(25)**	(31)
Interest income		**(14)**	(31)
Interest expense		**8**	17
Other non cash movements		**5**	(6)
Cash generated from operations before working capital changes		**268**	(12)
Movement in working capital		**(21)**	(6)
Increase in trade and other receivables		**(35)**	(3)
Decrease/(increase) in trade and other payables		**14**	(3)
Cash generated from operations	13	**247**	(18)
Taxation received/(paid)		**16**	(15)
Dividends paid	5	**(232)**	–
Net cash inflow/(outflow) from operating activities		**31**	(33)
Cash flows from investing activities			
Purchase additional investment in Sun Treasury RF Proprietary Limited		**(551)**	–
Loan advanced repaid by subsidiaries		**465**	32
Interest received		**14**	21
Net cash (outflow)/inflow from investing activities		**(72)**	53
Cash flows from financing activities			
Shares repurchased and cancelled	9	**(58)**	–
Repayment of borrowings		**(25)**	(39)
Loans received from subsidiaries	15	**215**	31
Interest paid		**–**	(4)
Net cash inflow/(outflow) from financing activities		**132**	(12)
Net cash and cash equivalents movement for the year		**91**	8
Cash and cash equivalents at beginning of year		**3**	(5)
Cash and cash equivalents at end of year		**94**	3

* The prior year comparative financial information was restated to reflect corrected errors. For further information on the restatement refer to note 14.

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Notes	Share capital and share premium Rm	Retained earnings Rm	Total equity Rm
Balance at 31 December 2020		2 916	1 651	4 567
Other comprehensive income for the year		–	–	–
Impact of restated profit for the year*	14	–	171	171
Restated Balance at 31 December 2020*		2 916	1 822	4 738
Other comprehensive income for the year		–	–	–
Profit for the year (Restated*)		–	612	612
Restated Balance at 31 December 2021*		2 916	2 434	5 350
Shares repurchased and cancelled		(58)	–	(58)
Profit for the year		–	561	561
Other comprehensive income for the year		–	–	–
Dividends paid	5	–	(232)	(232)
Balance at 31 December 2022		**2 858**	**2 763**	**5 621**

* The prior year comparative financial information was restated to reflect corrected errors. For further information on the restatement refer to note 14.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2022

Principal accounting policies

All policies stated in the consolidated financial statements relate to the group and the companies within the group. The company and the consolidated financial statements for the year ended 31 December 2022 were prepared in accordance with International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practice Committee, International Financial Reporting Pronouncements (FRP) as issued by the Financial Reporting Standards Council (FRSC) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), effective at the time of preparing these financial statements and in compliance with the Companies Act of South Africa. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention except as disclosed in the annexure to these financial statements. The policies used in preparing the financial statements are consistent with those of the previous year except in instances where new accounting standards or amendments have been adopted. There has been no material impact on the adoption of new accounting standards or amendments on the company financial statements.

Accounting policies not reflected in the Group Annual Financial Statements

Investments in subsidiaries are accounted for at cost less accumulated impairment losses in the company's separate financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements and includes the directly attributable costs of acquiring investments.

Dividend income is not from contracts with customers. Dividends are recognised in profit and loss.

Operating profit

Operating profit is defined as the profit derived from the core operating activities of the company which is the earnings before changes in foreign exchange adjustments, impairment on investment in subsidiaries, financial guarantee gains or losses, IFRS 9 extinguishment/modification adjustments and net finance costs.

Financial risk management and financial instruments (refer to note 33 in Group Annual Financial Statements)

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued at fair value. Subsequently, in terms of IFRS 9, at the higher of:

- The amount initially recognised at fair value less accumulated amortisation in terms of IFRS 15 Revenue recognition from contracts with customers, or
- By applying the expected credit loss (ECL) allowance model under IFRS 9.

The company's accounting policy is to account for the difference between the fair value and the fee charged for the guarantee (if any) as an expense in the statement of comprehensive income at the time the guarantee is issued. Subsequent changes in the measurement of the guarantee is also accounted for in the statement of comprehensive income.

Significant estimates and judgements

When the borrowings were entered into the company and Sun International South Africa Proprietary Limited contracted to, jointly and severally, guarantee the loan facility and the preference shares of Sun Treasury (RF) Proprietary Limited. In addition, the company and Sun Treasury (RF) Proprietary Limited contracted to jointly and severally guarantee the preference shares of Sun International South Africa Proprietary Limited. Sun Treasury (RF) Proprietary Limited provides these loan facilities to various subsidiaries within the group according to their cash flow requirements through inter-company facilities. In turn, these subsidiaries guarantee their drawn amount of the inter-company facilities to the external borrower. The amount at which the financial guarantees will be recognised is based on the probability that the entity will be called upon to honour the guarantors.

The value of the financial guarantee liability was determined by calculating the fair value less accumulated amortisation and the expected credit loss of the respective borrowers, over the term of the loan. The company used Moody's Analytics tools to determine the probability of default and loss given default over the term of the loans.

The following factors were considered when determining the probability of guarantees being called for:

- the probability of the group defaulting;
- the risk of the liability associated with the guarantee (in terms of the LGD and ECL); and
- whether the guarantor and the co-guarantor will default at the same time.

The fair value of a financial guarantees in terms of IFRS 9, is determined based on the difference in the present value of cash flows relating to the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the guarantee obligations. This estimation of fair value at initial recognition is in line with the company's accounting policy.

At 31 December 2022 the fair value less the accumulated amortisation was higher than the credit loss allowance.

Impairment assessment of investment in subsidiaries:

Investments in subsidiaries are considered for impairment if an impairment indicator has been identified and there is a reason to believe that impairment may be necessary. Factors taken into consideration in reaching such a decision include the carrying value of the subsidiary's net assets in comparison with the carrying amount of the Company's investment in the subsidiary, changes in the fair value of the underlying assets held by the subsidiary, dividends declared by the subsidiary that exceed the total comprehensive income of the subsidiary and/or worse than expected economic performance.

Where the investment is tested for impairment by assessing the value in use, the future cash flows expected to be generated by the subsidiary and its undertakings is considered whilst taking into account market conditions and the expected useful lives of the underlying assets. The present value of these cash flows, determined using an appropriate discount rate, is compared to the carrying value of the investment and, if lower, the investment in subsidiary is impaired to the present value.

If the information to project future cash flows is not available or could not be reliably established, management uses the best alternative information available to estimate a possible impairment.

Going concern

The company has generated profit after tax of R561 million, and R91 million net cash inflow. The company is considered solvent, and its total assets exceed total liabilities by R5.6 billion. The current assets exceed the current liabilities by R748 million.

The company has large receivable balances from subsidiaries such as Sun Time Square and Sun Treasury (RF) Pty Ltd, and its main short-term exposure, relate to the Financial Guarantee Liability as a result of the debt facilities provided to the group by the lenders of the group.

Due to the fact that the company's balance is linked to the ability of the group to discharge its liabilities as they fall due in the normal course of business, the directors evaluate the group and the company's going concern together, please refer to the accounting policies note in the group financial statements.

	31 December 2022 Rm	31 December 2021 Rm
1. Operating profit is stated after the following:		
Income		
Dividends received from subsidiaries	**265**	1
Expenses		
Professional fees	**(2)**	(6)
General expenses	**–**	(1)
	263	(6)
2. Interest income		
Interest earned on loans and receivables	**14**	31
	14	31
3. Interest expense		
Interest on borrowings	**(8)**	(17)
	(8)	(17)

	31 December 2022 Rm	Restated* 31 December 2021 Rm
4. Tax		
Current tax – current year	**–**	(3)
– prior year	**3**	(5)
Deferred tax – current year	**(7)**	(4)
– prior year	**(9)**	–
Deferred tax – rate change^^	**1**	–
	(12)	(12)
Standard rate of tax	**28.0%**	28.0%
Tax at standard rate	**160**	175
Adjusted for:		
Exempt income ^	**(162)**	(168)
Prior year – current tax	**(3)**	5
Prior year – deferred tax	**9**	–
Deferred tax rate change	**(1)**	–
Disallowable expenses *	**9**	–
Tax per statement of comprehensive income	**12**	12

^ Exempt income relates to dividend income and IFRS 9 credit adjustments.

* Disallowable expenses include, non-deductible professional fees, legal fees, impairment loss and expenses incurred to produce exempt income.

^^ Corporate tax rate change for South Africa has changed from 28% to 27% which resulted in a decrease of the deferred tax liability of R1 million. This rate change will affect current tax in 2023.

	31 December 2022 Rm	31 December 2021 Rm
5. Dividends paid		
Dividends paid during the year	**232**	–

6. Investments in subsidiaries

	Percentage holding %	31 December 2022 Rm	Percentage holding %	31 December 2021 Rm
Shares at cost less impairment				
National Casino Resorts Manco Holdings Proprietary Limited~	**100%**	**–**	100%	17
Sun International (South Africa) Limited	**100%**	**2 344**	100%	2 344
Sun International Co Incorporated	**100%**	**26**	100%	26
The Tourist Company of Nigeria PLC	**49.33%**	**222**	49.33%	222
La Coupe Insurance Trust#	**100%**	**–**	100%	–
Sun International South Africa Share Trust~	**100%**	**–**	100%	5
Dinokana Investments Limited#	**74%**	**–**	74%	–
Sun Chile#	**100%**	**–**	100%	–
Sun Treasury RF Proprietary Limited^	**100%**	**619**	100%	68
Balance at end of year		**3 211**		2 682

Less than R1m
^ The company purchased 551 ordinary shares of no par value shares in Sun Treasury RF Proprietary Limited, with effect 5 December 2022.
~ Impairment of investments in subsidiaries – 2022

	Opening balance Rm	Impairment Rm	Closing balance Rm
National Casino Resorts Manco Holdings Proprietary Limited ("NCR Manco")	17	(17)	–
Sun International South Africa Share Trust ("SISA Share Trust")	5	(5)	–
Total impairment loss		(22)	–

Investments in subsidiaries were assessed for impairment at year end, and a total of R22 million (2021: Rnil) impairment loss was recognised.

The investment in NCR Manco was impaired as the total liabilities exceed the total assets, and the investment in SISA Share Trust was impaired as the trust does not have any assets and liabilities and is no longer operational.

The investments were fully impaired as the recoverable amount of the investments are Rnil.

7. Loans and receivables

	31 December 2022 Rm	31 December 2021 Rm
Loans		
Other receivables	**43**	8
Preference shares in Dinokana Investments (Pty) Ltd ^	**161**	147
Loans to subsidiaries ^	**2 757**	3 225
	2 961	3 380
Current year IFRS 9 adjustment	**(123)**	(297)
	2 838	3 083
Current portion	**(1 131)**	(1 116)
Long term portion	**1 707**	1 967
Loans are due over the following periods:		
Less than 1 year	**1 131**	1 116
1 year to 2 years	**–**	–
2 – 3 years	**–**	–
3 – 4 years	**–**	–
4 years and onwards	**1 707**	1 967
	2 838	3 083
The weighted average interest and dividend rates were as follows:		
Share incentive schemes	**NIB**	NIB
Preference share investments	**8.5%**	7.3%
Loans to subsidiaries	**7.3%**	6.1%

NIB – Non interest bearing

The carrying amounts of the loans to subsidiaries are denominated in the following currencies:	31 December 2022	Restated* 31 December 2021
US Dollar	**379**	328
South African Rand	**2 259**	2 597
	2 638	2 925

* The prior year comparative financial information was restated to reflect corrected errors. For further information on the restatement refer to note 14.

	31 December 2022 Rm	31 December 2021 Rm
ECL reconciliation		
ECL at the beginning of the year	**297**	317
Movement during the year	**(174)**	(20)
Balance at the end of the year	**123**	297

^ Applying the expected credit risk model for the year ended 31 December 2022 (as described in the group accounting policies – Annexure – Accounting Policies); resulted in a total loss allowance for the company of R123 million (31 December 2021 – R297 million) for debt investments at amortised cost. This is an R174 million decrease in the allowance in the current reporting period.

7. Loans and receivables continued

Market risk – foreign exchange rate risk

The company holds a financial asset which is denominated in a currency other than the presentation currency of the company (ZAR), this financial asset is denominated in USD.

A 10% strengthening in ZAR against the currency with the underlying balance is denominated in, at December 2022 would increase/decrease profit before tax by the amount shown below. This analysis assumes that all other variables remain constant.

31 December 2022	ZAR/USD	USD million (loan balance)	ZAR million	Impact on profit before tax
Current foreign exchange rate movement (loss)	**0.94468**	**24**	**(25.2)**	
Strengthening	**0.85021**		**(20.2)**	**5**
Weakening	**1.03915**		**(24.7)**	**(5)**

31 December 2021	ZAR/USD	USD million (loan balance)	ZAR million	Impact on profit before tax
Current foreign exchange rate movement (loss)	1.28730	24	(30.7)	
Strengthening	1.15857		(27.6)	(3)
Weakening	1.41603		(33.7)	3

The adjustment noted above has been determined as follows:

Adjustments were calculated using the IFRS 9 general approach, using inputs obtained directly from a third party actuarial consultant. This approach changed from that which was applied in the prior year, due to a change from stage 2 to stage 1 for all loans. In applying the general IFRS 9 general approach, the following was noted:

ECL as at 31 December 2022:

Instrument Value	Instrument Value Rm	Probability of default (PD)	Loss given default (LGD)	ECL % Forward Looking	ECL Rm
Dinokana Preference Shares and Cumulative Dividends	**94**	**0.41%**	**21.87%**	**0.11%**	**–***
Dinokana Preference Shares and Cumulative Dividends	**67**	**0.41%**	**21.87%**	**0.11%**	**–***
The Tourist Company of Nigeria PLC	**404**	**2.26%**	**36.46%**	**6.05%**	**25**
SunLatam	**22**	**0.30%**	**36.18%**	**0.00%**	**–**
Sun International (South Africa) Limited ^	**26**	**0.66%**	**36.23%**	**1.35%**	**–**
Sun Time Square Proprietary Limited	**1 239**	**2.81%**	**36.53%**	**7.80%**	**97**
Sun Treasury Proprietary Limited	**1 091**	**0.41%**	**33.57%**	**0.09%**	**1**
					123

* Less than R1m

An increase of 1% of the ECL forward looking assumptions would result in an additional provision of R51 million (2021: R31 million).

A decrease of 1% of the ECL forward looking assumptions would result in a lower provision of R51 million (2021: R33 million).

7. Loans and receivables continued

Loans – ECL on loans receivable sensitivity analysis – 31 December 2022

Facilities RM	Amount	Reported 1 year ECL %	ECL R value	PD 1% Up ECL	R value	1% Down	R value
Instrument							
Dinokana Preference Shares and Cumulative Dividends	94	0.11%	–*	0.37%	–*	0.00%	–
Dinokana Preference Shares and Cumulative Dividends	67	0.11%	–*	0.37%	–*	0.00%	–
The Tourist Company of Nigeria PLC	404	6.05%	25	8.72%	36	5.88%	14
SunLatam	22	0.00%	–	0.00%	–	0.00%	–
Sun International (South Africa) Limited ^	26	1.35%	–*	3.39%	1	0.00%	–
Sun Time Square Proprietary Limited	1 239	7.80%	97	10.57%	131	1.31%	62
Sun Treasury (RF) Proprietary Limited	1 091	0.09%	1	0.29%	3	0.00%	–
Total	2 943		123		171		76
Change in amount in applying sensitivity					48		47

ECL as at 31 December 2021:	Instrument Value	Probability of default (PD) Rm	Loss given default (LGD)	ECL % Forward Looking	ECL Rm
Instrument Value					
Dinokana Preference Shares and Cumulative Dividends	94	2.90%	63.03%	8.98%	8
Dinokana Preference Shares and Cumulative Dividends	54	2.90%	63.03%	9.45%	5
Table Bay Loan ^	29	2.08%	33.46%	0.13%	–
The Tourist Company of Nigeria PLC	379	13.96%	35.11%	13.46%	51
Sun International (South Africa) Limited ^	31	3.15%	33.61%	7.17%	2
Sun Time Square Proprietary Limited	1 624	7.13%	34.16%	10.46%	170
Sun Treasury Proprietary Limited	1 149	3.15%	33.61%	5.33%	61
Total:					297
Movement during the financial year					(174)

As the company considers a financial asset as credit impaired when there has been a significant deterioration in the creditworthiness of the counterparty/lender.

The company considers a financial asset to be in default when:

- the financial asset has become credit impaired, and the counterparty/lender has failed to engage and agree to a payment plan;
- the counterparty is subject to business rescue or has been placed in liquidation; or
- internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Moody's analytics is utilised to produce a set of macroeconomic forecasts, including historic data and the accuracy of those historic forecasts. Market information was incorporated to adjust for the forward looking approach, that included expected gross domestic product growth (forecast to range between – 1.2% and 1.6%), as well as expectations relating to interest rates, inflation rate and unemployment rate on the recoverability of loan receivables.

The expected credit loss calculations were amended back to a stage 1 (12 month ECL) from a stage 2 (lifetime ECL) due to the change in credit risks associated with these loans and the assumptions noted above.

The remainder of the receivable loan balances have been assessed as fully recoverable both at 31 December 2022, with only an immaterial IFRS 9 impact noted. Given this, these loans have not been included in the table presented above.

The loans are fully performing with the associated credit risk considered to be low and carrying values approximate the fair values of the loans.

8. Deferred tax

	31 December 2022 Rm	31 December 2021 Rm
Balance at beginning of year	**–**	(4)
Statement of comprehensive income charge for the year	**(7)**	4
Prior year adjustments	**(9)**	–
Rate change	**1**	–
Balance at end of year	**(15)**	–
Deferred tax arises from the following temporary differences:		
Deferred tax assets		
Fair value adjustments	**(8)**	(8)
Balance at beginning of year	**(8)**	(7)
Charged to statement of comprehensive income	**–**	(1)
Provisions and accruals	**8**	8
Balance at beginning of year	**8**	3
Charged to statement of comprehensive income	**–**	5
Deferred tax liabilities		
Fair value adjustments	**(15)**	–
Balance at beginning of year	**–**	–
Charged to statement of comprehensive income	**(7)**	–
Prior year adjustments	**(9)**	–
Rate change	**1**	–
Total deferred tax liability	**(15)**	–

The company recognised a deferred tax liability amount of R15 million (2021: Rnil million).

9. Share capital and premium

	31 December 2022 Rm	31 December 2021 Rm
Authorised		
800 000 000 (31 December 2021: 800 000 000) ordinary shares of no par value	**16**	16
100 000 000 (31 December 2021: 100 000 000) variable rate cumulative redeemable preference shares of 1 cent each	**1**	1
Issued		
Share capital	**1 151**	1 209
Share premium	**1 707**	1 707
	2 858	2 916

	31 December 2022		31 December 2021	
	Number of shares	Rm	Number of shares	Rm
Movement during the year				
Balance at beginning of year	**263 905 660**	**2 916**	263 905 660	2 916
Shares repurchased and cancelled	**(1 853 465)**	**(58)**	–	–
Statutory shares in issue at end of year	**262 052 195**	**2 858**	263 905 660	2 916

The total number of shares repurchased was 1 853 465 at an average price of R31.14. There were no restrictive funding arrangements undertaken. The shares have been cancelled and reverted to authorised but unissued shares.

10. Borrowings

	31 December 2022 Rm	31 December 2021 Rm
Non-current		
Total V&A loan	–	25
Current portion	–	(25)
Total non-current borrowings	–	–

All borrowings are unsecured.

The V&A loan is carried at Rnil million (31 December 2021: R25 million) and is held at amortised cost. The loan carried interest at 13.4% and the carrying value of the loan approximates the fair value. The loan had an initial repayment rate of 4% p.a based on the original loan value of R191 million and an escalation of 9% p.a. on the repayment value is noted thereafter.

The carrying amount of the borrowings are denominated in Rand.

The borrowings are repayable over the following periods:

	31 December 2022 Rm	31 December 2021 Rm
Less than 6 months	–	25
6 months – 1 year	–	–
1 – 2 years	–	–
2 – 3 years	–	–
3 – 4 years	–	–
4 years and onwards	–	–
	–	25

The following are the contractual undiscounted maturities of financial liabilities (including principal and interest payments) presented in Rands:

	On demand or not exceeding 6 months Rm	More than 6 months but not exceeding 1 year Rm	More than 1 year but not exceeding 2 years Rm	More than 2 years but not exceeding 5 years Rm	More than 5 years Rm	Total Rm
31 December 2022						
Financial guarantee liability *	**8 336**	–	–	–	–	**8 336**
Accounts payable and accruals	**15**	–	–	–	–	**15**
	8 351	–	–	–	–	**8 351**
31 December 2021						
Borrowings	25	–	–	–	–	25
Financial guarantee liability *	8 524	–	–	–	–	8 524
Accounts payable and accruals	1	–	–	–	–	1
	8 550	–	–	–	–	8 550

* Refer to the note 25 of the group financial statements for the details of the guaranteed borrowings.

10. Borrowings continued

	31 December 2022	31 December 2021
Interest rates		
Year end interest and dividend rates as follows:		
V&A loan	–	13.4%
Weighted average	–	13.4%

As at 31 December 2022, interest rates on all external company borrowings were fixed.

A change of 1% in interest rates at the reporting date would have (decreased)/increased profit after tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 31 December 2021.

	31 December 2022	31 December 2021
Increase of 1%	**(0.2)**	(0.5)
Decrease of 1%	**0.2**	0.5

A register of non-current loans is available for inspection at the registered office of the company.

The company's borrowings are not restricted by its memorandum of incorporation.

11. Accounts payable, accruals and other

	31 December 2022	Restated* 31 December 2021
Other payables	**15**	1
	15	1
The fair value of accounts payable and accruals approximate their carrying value.		
Amount owing to related parties		
Sun International Trust	**20**	20
Sun International Incorporated	**221**	221
Sun International (South Africa) Limited	**232**	18
	473	259
Total accounts payable, accruals and other	**488**	260

* The prior year comparative financial information was restated to reflect corrected errors. For further information on the restatement refer to note 14.

12. Financial guarantees

The company has guaranteed the facilities and preference shares of Sun Treasury (RF) Proprietary Limited as well as the preference shares subscribed to by Sun International (South Africa) Limited. Refer to the significant judgements disclosed in the company's Principal Accounting Policy's.

	31 December 2022 Rm	31 December 2021 Rm
Financial guarantee liability – beginning of the prior year	**164**	89
Fair value of guarantees	**(24)**	616
Financial guarantee liability – end of prior year	**140**	705
Release of financial guarantee as a result of extinguishment – December 2022/June 2021	**(140)**	(705)
	–	–
Raise new financial guarantee liability – December 2022/June 2021 – fair value	**106**	164
Fair value of the financial guarantee liability charged to the statement of comprehensive income	**(93)**	(24)
Financial guarantee liability – 31 December 2021	**13**	140

12. Financial guarantees continued

As at 31 December 2022 the fair value less accumulated amortisation of the financial guarantee liability is higher than the expected credit loss associated with the financial guarantees.

	Instrument Value Rm	Avg 1 Year probability default	Loss given default (LGD)	Loss	Fair value as at 31 December	Fair value as at 31 December
Instrument						
Fair value as at 31 December 2021 on guarantees based on 1 year						
The company has guaranteed all obligations of Sun Treasury Proprietary Limited related to the following:						
Banking facilities	6 407	11.37%	30.93%	3.52%	**3.04%**	112
The company has also guaranteed the obligations of Sun International (South Africa) Limited related to the following:						
Redeemable preference shares	1 035	15.85%	30.93%	4.90%	**3.61%**	18
The company has also guaranteed all obligations of Sun Treasury (RF) Proprietary Limited related to the following:						
Redeemable preference shares	551	11.49%	30.93%	3.55%	**3.63%**	10
Total liability raised as at 31 December 2021						140

	Instrument Value Rm	Avg 1 Year probability default	Loss given default (LGD)	Loss	Fair value as at 31 December	Fair value as at 31 December
Instrument						
Fair value as at 31 December 2022 on guarantees based on 1 year						
The company has guaranteed all obligations of Sun Treasury Proprietary Limited related to the following:						
Banking facilities	8 336	0.41%	33.57%	0.14%	**0.16%**	13
Total liability raised as at 31 December 2022						13
Total credit to the statement of comprehensive income						(127)

In the current year, measurement has taken into account the apportionment of the liability between guarantors.

Refer to the Note 25 of the Sun International Limited consolidated financial statements for the details of the guaranteed borrowings.

The stage of the guarantee is determined by the movement in risk from date of origination of the guarantee to the measurement date – if there has been a significant increase in credit risk the guarantee would be in stage 2 and lifetime losses recognised.

13. Cash flow information

	31 December 2022 Rm	31 December 2021 Rm
Tax received/(paid)		
Asset at beginning of year	**7**	–
Current year tax charged to statement of comprehensive income (refer note 4)	**3**	(3)
Prior year over provision	**–**	(5)
Liability/(asset) at end of year	**6**	(7)
	16	(15)

* The prior year comparative financial information was restated to reflect statement of cash flows using the indirect cash flow method, previously both the direct and indirect method was used – refer to note 14.

14. Restatement

Error recording Sun Dreams provision

The company incorrectly recorded in the accounts payable, accruals and other, a tax provision of R171 million, which was never a provision for the company. This resulted in the loss for the financial year ended 31 December 2019 being overstated by R171 million and the current liability as at 31 December 2019 also being overstated by R171 million. The prior years have been restated to correct this error for each of the affected financial statement line items as indicated below:

Error corrected as at 31 December 2020

	As previously stated 31 December 2020 Rm	Correction Rm	Restated* 31 December 2020 Rm
Retained earnings	1 651	171	1 822
Accounts payable, accruals and other	424	(171)	253

Error corrected as at 31 December 2021

The company incorrectly recorded credited taxation expense for the 31 December 2021 year, and reversed an accrual of R6 million, this was not a liability relating to the company. This resulted in taxation expense and accounts payable, accruals and other being understated by R6 million.

	31 December 2021 Rm	Correction Rm	Restated* 31 December 2021 Rm
Taxation expense (as previously stated)	6	6	12
Accounts payable, accruals and other (restated)	254	6	260

Statement of cash flows

The statement of cash flows was previously disclosed using both direct and indirect method incorrectly. The prior year statement of cash flows was restated using only the indirect cash flow method. Furthermore, the reconciliation of profit for the year to cash generated by operations is now presented on the face of the statement of cash flows, instead of in the notes.

In addition, on the restatement of the cash flow, loans received from subsidiaries were incorrectly allocated to investing activities and have been corrected to financing activities. The taxation expense of R6 million which was incorrectly recorded had no effect on statement of cash flows.

	31 December 2021 Rm
Cash flows from investing activities as recorded previously stated	84
Loans received from subsidiaries reallocated to financing activities	(31)
Cash flows from investing activities restated	53
Cash flows from financing activities as previously stated	(43)
Loans received from subsidiaries reallocated from investing activities	31
Cash flows from financing activities restated	(12)

14. Restatement continued

	31 December 2021 Rm
Statement of comprehensive income	
Tax expense as previously stated	6
Correction	6
Tax expense restated	12

Loans and receivables

The carrying amount of loans to subsidiary denominated in South African Rand currency disclosure was incorrectly recorded, and the error has been corrected. The amount for South African currency disclosure was previously R124 million, should have been disclosed at R2 597 million.

15. Liquidity risk management and capital risk management

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. To manage liquidity risk, the company will continue to remain cash generative and has forecast to generate sufficient operating cash flows to meet the requirements of the business and make repayments of the financial liabilities as they become due.

31 December 2022	On demand or not exceeding six months Rm	More than six months but not exceeding one year Rm
Accounts payable, accruals and other	**494**	**–**

31 December 2021	On demand or not exceeding six months Rm	More than six months but not exceeding one year Rm
Accounts payable, accruals and other	260	–
Borrowings	–	25
	260	25

16. Related party

The following transactions were carried out with related parties:

	31 December 2022 Rm	31 December 2021 Rm
(i) Directors emoluments		
Refer 30 in the group financial statements.		
(ii) Loans to related parties		
Loan to SunWest International Proprietary Limited:		
Gross balance at beginning of the year	**25**	77
Interest capitalised for the year	**1**	19
Repayments	**–**	(53)
Expected credit loss adjustment	**4**	–
Loans – repaid	**(30)**	(18)
Balance at end of the year	**–**	25
The loan carries interest of 9% and has no fixed terms of repayment.		
Loan to The Tourist Company of Nigeria PLC:		
Gross balance at beginning of the year	**379**	348
Foreign exchange loss	**25**	31
Expected credit loss adjustment	**(25)**	(51)
Balance at end of the year	**379**	328
The loan is denominated in US dollars and does not bear interest and has no fixed repayment terms.		
Loan to Sun International (South Africa) Limited:		
Gross balance at beginning of the year	**32**	32
Insurance valuation	**(6)**	–
Expected credit loss adjustment	**–**	(2)
Balance at end of the year	**26**	30
The loan does not bear interest and has no fixed repayment terms.		
Loan to Sun Time Square Proprietary Limited:		
Gross balance at beginning of the year	**1 624**	1 624
Loans – repaid	**(385)**	–
Expected credit loss adjustment	**(97)**	(170)
Balance at end of the year	**1 142**	1 454
The loan does not bear interest and has no fixed repayment terms.		
Loan to Sun Treasury (RF) Proprietary Limited:		
Gross balance at beginning of the year	**1 149**	1 192
Interest received and capitalised for the year	**(7)**	(12)
Loans received from Sun Treasury during the year	**(50)**	(31)
Expected credit loss adjustment	**(1)**	(61)
Balance at end of the year	**1 091**	1 088

The loan bears interest at 9% and has no fixed repayment terms.

16. Related party continued

	31 December 2022 Rm	31 December 2021 Rm
(ii) Loans from related party		
Loan from Sun International Incorporated:		
Balance at beginning of the year	**221**	221
Balance at end of the year	**221**	221
The loan does not bear interest and has no fixed repayment terms.		
Loan from Sun International (South Africa) Limited:		
Balance at beginning of the year	**2**	2
Non-cash movement	**15**	–
Loans received	**215**	–
Balance at end of the year	**232**	2
The loan does not bear interest and has no fixed repayment terms.		
Loan from Sun International Trust:		
Balance at beginning of the year	**20**	20
Balance at end of the year	**20**	20

The loan does not bear interest and has no fixed repayment terms.

	31 December 2022 Rm	31 December 2021 Rm
Reconciliation of liabilities from financial and investing activities due to loans to/from related parties		
Loans to related parties		
Gross opening balance	**3 209**	3 272
Interest income received from subsidiaries	**–**	21
Loans received from subsidiaries	**–**	31
Loans advanced repaid by subsidiaries	**(465)**	32
Expected credit loss adjustment	**(106)**	(370)
Closing balance	**2 638**	2 986
Loans from related parties		
Gross opening balance	**243**	243
Loans advanced during the year	**215**	–
Non-cash movements	**15**	–
Closing balance	**473**	243

17. Subsequent events

Refer Note 34 in the group financial statements.

SUN INTERNATIONAL LIMITED

(Incorporated in the Republic of South Africa)
Registration number: 1967/007528/06
Share code: SUI
ISIN: ZAE 000097580
LEI: 378900835F180983C60
("Sun International" or "the company")

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