Sun International

GROUP AND COMPANY AUDITED FINANCIAL STATEMENTS

for the year ended 31 December 2023

CONTENTS

REPORT OF THE AUDIT COMMITTEE

for the year ended 31 December 2023

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 2023. 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 group's external and internal assurance functions. This is supplemented with the statutory duties set out in terms of section 94(7) of the Companies Act, with specific reference to audit quality, auditor independence, financial policies and reporting concerns. 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:		
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 four 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, 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 (proposed Peermont transaction, refer to the directors' report) and the external auditors have direct access to the committee.

	Attendance		
Members	March 2023	August 2023	November 23
Caroline Henry (chairman)	Caroline Henry	Caroline Henry	Caroline Henry
Sindi Mabaso-Koyana	Sindi Mabaso-Koyana	Sindi Mabaso-Koyana	Sindi Mabaso-Koyana
Zimkhitha Zatu-Moloi	Zimkhitha Zatu-Moloi	-	Zimkhitha Zatu-Moloi
Dawn Marole[1]	-	-	Dawn Marole[1]
Right of attendance			
Anthony Leeming (CE)[†]	Anthony Leeming	Anthony Leeming	Anthony Leeming
Muxe Mambana[†]	Muxe Mambana	Muxe Mambana	Muxe Mambana
Norman Basthdaw (CFO)[†]	Norman Basthdaw	Norman Basthdaw	Norman Basthdaw
Graham Wood (COO)[2]	Graham Wood	Graham Wood	-

1 Dawn Marole was appointed to the Sun International audit committee with effect from 8 September 2023.

2 As of the 15 November 2023 audit committee meeting, Graham Wood was no longer required to attend 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 mandate and terms of reference prescribe that, as part of the board's review of the committee's performance and effectiveness, 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, Zimkhitha Zatu Moloi and Dawn Marole as members of the committee at the AGM to be held on 8 May 2024. The profiles of the committee members, including their qualifications, can be viewed on the group's website, https://corporate.suninternational.com/about/directors/.

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 recommendation 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 2023. 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 confirm 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. In conjunction with other board and statutory committees, the audit committee also considered the non-financial information disclosed in the integrated annual report. It assessed its consistency with operational and other information known to committee members.

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 8 May 2024.

The committee confirmed that no reportable irregularities were identified and reported by the external auditors for the financial year ended 31 December 2023 in terms of the Auditing Profession Act 26 of 2005.

At the committee meetings held during August 2023 and November 2023, 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 considering Deloitte & Touche's re-appointment FY2024, 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, namely Ms Carmeni Naidoo Bester, for the financial year commencing on 1 January 2024.

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 2023 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 8 May 2024.

The committee, in consultation with executive management, agreed to the terms of the 31 December 2023 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

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 carried 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 2023 year's losses. Refer to the independent auditor's report for a detailed description of the key audit matters.

Governance of risk

The committee's chairman is a standing member of the risk committee and reports to the audit committee on the deliberations 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. Appropriate steps have been taken to remedy any 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 2023, for approval by the board of directors.

CM HENRY
Chairman

15 March 2024

CHIEF EXECUTIVE AND FINANCIAL DIRECTOR'S RESPONSIBILITY STATEMENT

for the year ended 31 December 2023

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

(a) the annual financial statements set out on pages 01 to 105, 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

15 March 2024

COMPANY SECRETARY'S CERTIFICATE

for the year ended 31 December 2023

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 2023 and that all such returns are true, correct and up to date.

AG JOHNSTON

Company secretary

15 March 2024

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 16 to 105, which comprise the consolidated and separate statements of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other 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 material accounting policy information.

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 2023, 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.

Key Audit Matter	How the matter was addressed in the audit
Recoverability of deferred tax assets raised on assessed losses (Group)	
The Group recorded a deferred tax asset of R755 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; ■ 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 assessed loss, as well as the disclosures of the amounts related to the deferred tax asset on assessed losses appears appropriate.
Key Audit Matter	**How the matter was addressed in the audit**
Accounting treatment of Vacation Club Revenue and Contract liability (Group)	
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 25, 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 2023 of R702 million and the Vacation Club revenue recognised for the year of R133 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 2023; ■ Selecting a sample of new contracts for the year ending 31 December 2023 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 the above procedures performed, as well as our review of the disclosures in the consolidated financial statements – the Vacation Club revenue as well as Contract Liability are not materiality misstated nor inappropriately disclosed.

Key Audit Matter	How the matter was addressed in the audit
Valuation of the financial guarantee liabilities (Company)	
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 24 in the consolidated financial statements: ■ R4.6 billion term facilities; ■ R500 million revolving credit facility; and ■ R2.3 billion available liquidity. 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 jointly 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 the above procedures performed, the financial guarantee liability and related ECL for this financial guarantee liability is not materially misstated nor inappropriately disclosed.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Sun International Limited Annual Financial Statements for the year ended 31 December 2023", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the Integrated 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 2 years.

DocuSigned by:
Deloitte & Touche
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DELOITTE & TOUCHE
Registered Auditors

Per: Carmeni Naidoo Bester
Partner
18 March 2024

5 Magwa Crescent
Waterfall City
Midrand
2090
South Africa

DIRECTORS' REPORT

for the year ended 31 December 2023

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

The directors have pleasure in submitting the audited consolidated financial statements of the Sun International group for the year ended 31 December 2023. The period covered by this directors' report is from 1 January 2023 to 31 December 2023.

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 audited consolidated financial statements released on the Company's website on 18 March 2024.

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 2023 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 2023 are given in note 9 of the group financial statements.

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

Dividends

Interim

The board approved an interim dividend of 148 cents per ordinary share (118.4 cents net after deducting withholding tax) on 11 September 2023 (2022: 88 cents per ordinary share, 70.4 cents after deducting withholding tax).

Final

The board has approved a final ordinary dividend of 203 cents per ordinary share (162.4 cents net after deducting withholding tax) (2022: 241 cents per ordinary share, 192.8 cents net after deducting withholding tax). The source of such dividend will be from distributable reserves. The dividend will be payable on 15 April 2024 to shareholders registered in the Company's securities register on 12 April 2024.

Associate companies and other investments

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

On 18 December 2023, the Company announced on SENS that Sun International (South Africa) Limited, a wholly owned subsidiary of Sun International, had entered into an agreement in terms whereof it would acquire all of the issued ordinary shares of and any claims on loan accounts against Peermont Holdings Proprietary Limited from the shareholders of Peermont Holdings Proprietary Limited, for a purchase consideration and subject to the fulfilment of several conditions precedent, as more fully set out in the said SENS announcement.

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 audited consolidated financial statements of the Sun International group, which were released on the Company's website on 18 March 2024.

Share plans

Full particulars relating to awards and grants made under the various Sun International share plans are provided of note 23 of 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 (2022: 262 052 195) ordinary shares. The Company has an authorised share capital of 800 000 000 (2022: 800 000 000) ordinary shares.

Further details regarding the authorised and issued share capital appear in note 23 of the group financial statements and in note 9 of the company financial statements.

Directorate

Retirements:

In accordance with articles 25.5, 25.6.1 and 25.17 of the Company's memorandum of incorporation, Messrs TR Ngara and S Sithole, as well as Mesdames MLD Marole and ZP Zatu Moloi retired from the Board at the annual general meeting held on 9 May 2023, 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 CM Henry and SN Mabaso Koyana as well as Mr GW Dempster are required to retire in accordance with the Company's memorandum of incorporation at the upcoming annual general meeting to be held on 8 May 2024 and being eligible, offer themselves for re-election.

Their profiles appear in the annual statutory report to be posted to shareholders on or about 28 March 2024 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 28 March 2024 and which will be available on the Company's website at http://www.suninternational.com/investors.

Directors' interests

As at 31 December 2023, the directors of the Company held interests in 70 777 694 of the Company's issued ordinary shares (2022: 65 516 913). 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 2023	**Unrestricted**	**Restricted**	**Unrestricted**
N Basthdaw	**341 268**	**594 969**	**–**
AM Leeming	**876 371**	**1 278 452**	**–**
GW Dempster	**85 000**	**–**	**–**
S Sithole/TR Ngara**	**–**	**–**	**67 601 634**
Total	**1 302 639**	**1 873 421**	**67 601 634**

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
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 group and company statements.

** Indirect shareholding via Venture Capital Partners.

Public and non-public shareholders (as at 31 December 2023):

Ordinary shares	Number of shareholders	%	Number of shares	%
NON-PUBLIC SHAREHOLDERS	**14**	**0.11**	**88 356 714**	**33.72**
Directors and associates of the Company	5	0.04	70 912 746	27.06
Sun International Employee Share Trust and Plans*	8	0.06	10 724 209	4.09
Dinokana Investments (Pty) Ltd - Treasury shares**	1	0.01	6 719 759	2.56
PUBLIC SHAREHOLDERS	**12 320**	**99.89**	**173 695 481**	**66.28**
Totals	**12 334**	**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 2023 were the following:

	Number of shares	%
Allan Gray Asset Management	28 999 714	11.07
Value Capital Partners H4 Q1 Hedge Fund	24 170 413	9.22
PSG Asset Management	21 488 521	8.20

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 28 March 2024 at: http://www.suninternational.com/investors/governance/.

At the Company's annual general meeting held on 09 May 2023, 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 95.72% 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 89.67% 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 28 March 2024 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 consolidated financial statements in note 29.

Repurchased equity securities

During the period covered by this director's report, Sun International did not repurchase any of its ordinary issued shares in the open market (2022: 1 853 465 repurchased).

Borrowing powers and restrictive funding arrangements

In terms of its memorandum of incorporation, Sun International has unlimited borrowing powers. As at 31 December 2023, available liquidity amounted to R2.3 billion (2022: R2.5 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 as at 31 December 2023 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 and an effective system of risk management as well as the preparation of the supplementary schedules included in the 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 15 March 2024 and signed by:

For: Sun International Limited

S SITHOLE
Chairman

AM LEEMING
Chief Executive

N BASTHDAW
Chief Financial Officer

15 March 2024

GROUP STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

R million	Notes	31 December 2023	31 December 2022
Continuing operations			
Net gaming wins	1	**9 290**	8 997
Revenue*	1	**2 798**	2 277
Insurance receipts	1	**8**	28
Income	1	**12 096**	11 302
Consumables and services		**(1 398)**	(1 193)
Depreciation	11 + 13	**(738)**	(739)
Amortisation	12 + 14	**(62)**	(89)
Employee costs	2	**(2 309)**	(2 146)
Levies and VAT on casino income		**(2 202)**	(2 146)
LPM site owners commission**		**(440)**	(438)
Promotional and marketing costs		**(473)**	(464)
Property and equipment rentals	3	**(141)**	(62)
Property costs		**(967)**	(850)
Net impairment loss on financial assets	19	**(25)**	(11)
Other operational costs^		**(838)**	(721)
Operating profit	4	**2 503**	2 443
Foreign exchange losses		**(87)**	(71)
Finance income	5	**29**	20
Finance expense	6	**(662)**	(515)
Change in estimated redemption value of put option	17	**(13)**	(510)
Share of profit of investments accounted for using the equity method	15	**–**	1
Profit before tax		**1 770**	1 368
Taxation	8	**(555)**	(603)
Profit for the year from continuing operations		**1 215**	765
Profit for the year from discontinued operations	10	**173**	–
Profit for the year		**1 388**	765
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Remeasurements of post employment benefit obligations	18	**6**	10
Tax on remeasurements of post employment benefit obligations	8	**(2)**	(3)
Items that may be reclassified to profit or loss			
Fair value adjustment for listed shares	16	**(22)**	(18)
Tax on fair value adjustment for listed shares	8	**7**	5
Foreign currency translation reserve		**(79)**	42
Total comprehensive income for the year		**1 298**	801

GROUP STATEMENT OF COMPREHENSIVE INCOME continued

for the year ended 31 December 2023

R million	Notes	31 December 2023	31 December 2022
Profit for the year attributable to:			
Minorities		**183**	210
Ordinary shareholders		**1 205**	555
		1 388	765
Total comprehensive profit for the year attributable to:			
Minorities		**124**	217
Ordinary shareholders		**1 174**	584
		1 298	801
Total comprehensive profit for the year attributable to ordinary shareholders arises from:			
Continuing operations		**1 001**	584
Discontinued operations	10	**173**	–
		1 174	584
Basic and diluted earnings per share (cents)			
Basic	9	**494**	224
Continuing operations		**423**	224
Discontinued operations		**71**	–
Diluted basic earnings per share		**491**	222

* 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.

GROUP STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

R million	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Property, plant and equipment	11	**9 294**	9 054
Intangible assets	12	**820**	818
Investment property	13	**151**	160
Contract asset	14	**79**	80
Equity-accounted investment	15	**32**	32
Investment in listed shares	16	**338**	356
Pension fund asset	18	**–**	9
Deferred tax assets	8	**1 157**	1 057
Trade and other receivables	19	**105**	103
		11 976	11 669
Current assets			
Inventory	20	**135**	118
Trade and other receivables	19	**940**	1 130
Contract asset	14	**22**	17
Cash and cash equivalents	21	**383**	546
Current tax receivable		**8**	11
		1 488	1 822
Assets held for sale	22	**106**	55
Total assets		**13 570**	13 546
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity before put option reserve		**3 425**	3 643
Put option reserve		**(1 286)**	(1 286)
Ordinary shareholders' equity	23	**2 139**	2 357
Minorities' interests		**(129)**	(325)
		2 010	2 032
Non-current liabilities			
Deferred tax liabilities	8	**427**	282
Borrowings	24	**4 957**	5 914
Put option liability	17	**987**	974
Contract liabilities	25	**558**	505
Trade payables and accruals	26	**118**	127
		7 047	7 802
Current liabilities			
Borrowings	24	**2 336**	1 538
Trade payables and accruals	26	**2 000**	2 014
Contract liabilities	25	**144**	118
Current tax payable		**33**	42
		4 513	3 712
Total liabilities		**11 560**	11 514
Total equity and liabilities		**13 570**	13 546

GROUP STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

R million	Notes	31 December 2023	31 December 2022
Cash flows from operating activities			
Cash generated from operations			
Profit for the year from continuing operations		**1 215**	765
Profit for the year from discontinued operations		**173**	–
Adjustments for non-cash transactions		**2 322**	2 881
Depreciation and amortisation		**800**	828
Net loss on disposal of property, plant and equipment and intangible assets		**31**	15
Net loss on disposal of investment		**–**	7
Dreams S.A. first contingent consideration	10	**(173)**	–
Provident fund prepayment	19	**121**	181
Foreign exchange loss		**87**	71
Operating equipment usage		**80**	53
Expense related to employee share based payments		**46**	32
Net impairment loss on financial assets		**25**	11
Change in estimated redemption value of put option		**13**	510
Income tax expense		**555**	603
Finance income		**(29)**	(20)
Finance expense		**662**	515
Movement in contract liability		**79**	50
Other non-cash movements		**25**	25
Operating cash flow before movements in working capital		**3 710**	3 646
Working capital changes		**5**	37
Inventory		**(17)**	(30)
Accounts receivable		**76**	(215)
Contract asset		**(4)**	(9)
Accounts payable		**(50)**	291
Cash generated by operations		**3 715**	3 683
Tax paid	27.1	**(497)**	(436)
Net cash inflow from operating activities		**3 218**	3 247
Cash flows from investing activities			
Purchase of property, plant and equipment	11	**(1 194)**	(922)
Additions to investment property	13	**–**	(99)
Proceeds on disposal of property, plant and equipment		**34**	37
Purchase of intangible assets	12	**(47)**	(21)
Investment income received	5	**12**	7
Purchase of listed shares	16	**(4)**	(374)
Net cash outflow from investing activities		**(1 199)**	(1 372)
Cash flows from financing activities			
Share plan shares purchased	23	**(77)**	(36)
Shares repurchased and cancelled	23	**–**	(58)
Repayment of capital lease liabilities	24	**(147)**	(149)
Additional borrowings	27.3	**260**	775
Repayment of borrowings	27.3	**(400)**	(1 263)
Interest paid	27.2	**(566)**	(480)
Dividends paid	9	**(1 200)**	(490)
Net cash outflow from financing activities		**(2 130)**	(1 701)
Effects of exchange rate changes on cash and cash equivalents		**(52)**	(2)
Net (decrease)/increase in cash and cash equivalents		**(163)**	172
Cash and cash equivalents at beginning of the year		**546**	374
Cash and cash equivalents at end of the year	21	**383**	546

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

GROUP STATEMENT OF CHANGES IN EQUITY continued

for the year ended 31 December 2023

R million	Notes	Share capital and premium	Treasury shares	Foreign currency translation reserve	Share based payment reserve	Reserve for non-controlling interests*	Other reserves**	Retained earnings	Ordinary shareholders' equity before put option reserve	Put option reserve	Ordinary shareholders' equity	Minorities' interests	Total equity
Balance at 31 December 2021		3 100	(419)	47	46	(3 353)	230	3 642	3 293	(1 286)	2 007	(291)	1 716
Profit for the year		–	–	–	–	–	–	555	555	–	555	210	765
Other comprehensive income for the year		–	–	35	–	–	(6)	–	29	–	29	7	36
Total comprehensive income and other income for the year		–	–	35	–	–	(6)	555	584	–	584	217	801
Share plan shares purchased		–	(36)	–	–	–	–	–	(36)	–	(36)	–	(36)
Employee share plans		–	–	–	32	–	–	–	32	–	32	–	32
Vested share plans		–	13	–	(13)	–	–	–	–	–	–	–	–
Shares repurchased and cancelled~		(58)	–	–	–	–	–	–	(58)	–	(58)	–	(58)
Acquisition/disposal of equity interest		–	–	–	–	53	–	–	53	–	53	14	67
Dividends paid		–	–	–	–	–	–	(225)	(225)	–	(225)	(265)	(490)
Balance at 31 December 2022		3 042	(442)	82	65	(3 300)	224	3 972	3 643	(1 286)	2 357	(325)	2 032
Profit for the year		–	–	–	–	–	–	**1 205**	**1 205**	–	**1 205**	**183**	**1 388**
Other comprehensive income for the year		–	–	**(20)**	–	–	**(11)**	–	**(31)**	–	**(31)**	**(59)**	**(90)**
Total comprehensive income and other income for the year		–	–	**(20)**	–	–	**(11)**	**1 205**	**1 174**	–	**1 174**	**124**	**1 298**
Share plan shares purchased		–	**(77)**	–	–	–	–	–	**(77)**	–	**(77)**	–	**(77)**
Employee share plans		–	–	–	**46**	–	–	–	**46**	–	**46**	–	**46**
Vested share plans		–	**18**	–	**(18)**	–	–	–	–	–	–	–	–
Acquisition/disposal of equity interest^		–	–	–	–	**(376)**	–	–	**(376)**	–	**(376)**	**287**	**(89)**
Dividends paid		–	–	–	–	–	–	**(985)**	**(985)**	–	**(985)**	**(215)**	**(1 200)**
Balance at 31 December 2023		**3 042**	**(501)**	**62**	**93**	**(3 676)**	**213**	**4 192**	**3 425**	**(1 286)**	**2 139**	**(129)**	**2 010**

* 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 23.

^ Includes the acquisition of the additional 14.25% stake in Sun Time Square, refer to note 10.

NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2023

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 2023 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 management as at 31 December 2023. 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; and
- 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 2023 year's losses based on certain recognition criteria. Refer to note 8.

Impairment of non financial assets

Property, plant and equipment and intangible assets 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. Goodwill and indefinite intangible assets are tested annually for impairment.

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 and indefinite intangible assets

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 ("TCN") 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 TCN 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 22.8% shareholding (2022: 22.6%) 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.

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 2023, South Africa's debt (excluding IFRS 16 lease liabilities) amounted to R5.7 billion and its debt to adjusted EBITDA ratio of 1.7 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 2023 the interest cover ratio was compliant at 5.7 times which is above the required 3.0 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 2023		12 months 31 December 2022	
	Average rate	Closing rate	Average rate	Closing rate
US Dollar (USD)	**18.50**	**18.54**	16.38	16.96
Chilean Peso (CLP)	**45.47**	**47.72**	53.27	50.67
Nigerian Naira (NGN)	**33.15**	**48.93**	26.19	27.18

NOTES TO THE GROUP FINANCIAL STATEMENTS continued
for the year ended 31 December 2023

1. Segmental analysis

	Net gaming wins							
	Total net gaming wins		Tables		Slots		Sun Slots and SunBet	
R million	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
South African operations	**9 250**	8 935	**1 575**	1 484	**5 484**	5 624	**2 191**	1 827
GrandWest	**1 776**	1 751	**335**	275	**1 441**	1 476	**–**	–
Sun City	**549**	516	**172**	139	**377**	377	**–**	–
Sibaya	**1 237**	1 289	**293**	335	**944**	954	**–**	–
Sun Time Square	**1 286**	1 273	**411**	380	**875**	893	**–**	–
Carnival City	**785**	848	**169**	185	**616**	663	**–**	–
Boardwalk#	**415**	397	**59**	49	**356**	348	**–**	–
Wild Coast Sun	**383**	384	**59**	50	**324**	334	**–**	–
Carousel and Sun Carousel	**–**	–	**–**	–	**–**	–	**–**	–
Meropa	**224**	227	**31**	32	**193**	195	**–**	–
The Table Bay Hotel	**–**	–	**–**	–	**–**	–	**–**	–
Windmill	**195**	195	**27**	23	**168**	172	**–**	–
Sun Slots	**1 462**	1 491	**–**	–	**–**	–	**1 462**	1 491
Flamingo	**106**	114	**9**	10	**97**	104	**–**	–
Golden Valley	**103**	114	**10**	6	**93**	108	**–**	–
SunBet	**729**	336	**–**	–	**–**	–	**729**	336
The Maslow Sandton	**–**	–	**–**	–	**–**	–	**–**	–
Other operating segments	**–**	–	**–**	–	**–**	–	**–**	–
Management and corporate office	**–**	–	**–**	–	**–**	–	**–**	–
Nigeria and other^^	**40**	62	**11**	14	**29**	48	**–**	–
Intercompany management fees	**–**	–	**–**	–	**–**	–	**–**	–
Total	**9 290**	8 997	**1 586**	1 498	**5 513**	5 672	**2 191**	1 827

	Revenue from contracts with customers									
	Total revenue		Rooms		Food and beverage		Other*		Total income	
R million	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022	**2023**	2022
South African operations	**3 235**	2 610	**1 184**	881	**948**	822	**1 103**	907	**12 485**	11 545
GrandWest	**108**	79	**2**	2	**66**	48	**40**	29	**1 884**	1 830
Sun City	**1 329**	1 120	**572**	443	**429**	375	**328**	302	**1 878**	1 636
Sibaya	**50**	66	**7**	8	**33**	38	**10**	20	**1 287**	1 355
Sun Time Square	**220**	180	**49**	42	**108**	94	**63**	44	**1 506**	1 453
Carnival City	**60**	53	**9**	7	**24**	23	**27**	23	**845**	901
Boardwalk#	**114**	85	**31**	24	**49**	49	**34**	12	**529**	482
Wild Coast Sun	**134**	124	**31**	34	**60**	52	**43**	38	**517**	508
Carousel and Sun Carousel	**2**	1	**–**	–	**–**	–	**2**	1	**2**	1
Meropa	**12**	10	**7**	7	**–**	–	**5**	3	**236**	237
The Table Bay Hotel	**476**	308	**386**	239	**84**	65	**6**	4	**476**	308
Windmill	**9**	9	**–**	–	**8**	8	**1**	1	**204**	204
Sun Slots	**3**	15	**–**	–	**–**	–	**3**	15	**1 465**	1 506
Flamingo	**10**	10	**–**	–	**10**	10	**–**	–	**116**	124
Golden Valley	**21**	19	**8**	9	**12**	9	**1**	1	**124**	133
SunBet	**4**	3	**–**	–	**–**	–	**4**	3	**733**	339
The Maslow Sandton	**149**	120	**82**	66	**64**	51	**3**	3	**149**	120
Other operating segments	**17**	9	**–**	–	**1**	–	**16**	9	**17**	9
Management and corporate office	**517**	399	**–**	–	**–**	–	**517**	399	**517**	399
Nigeria and other^^	**86**	85	**45**	46	**38**	36	**3**	3	**126**	147
Intercompany management fees	**(515)**	(390)	**–**	–	**–**	–	**(515)**	(390)	**(515)**	(390)
Total	**2 806**	2 305	**1 229**	927	**986**	858	**591**	520	**12 096**	11 302

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.

R million	2023	2022
*Other:		
Revenue within the scope of IFRS 15		
Time share income	**133**	122
Other income**	**244**	192
Other income excluded from the scope of IFRS 15 (rental and concessionaire income^)	**206**	178
Other income excluded from the scope of IFRS 15 (insurance receipts)	**8**	28
Total	**591**	520

** Other income includes conferencing and entertainment revenue, management fees income, membership revenue, merchandise revenue and entrance fee revenue.

Time share income was shown separately 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).

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

1. Segmental analysis continued

	Adjusted EBITDA		Depreciation and amortisation		Adjusted Operating profit		Adjusted Tax	
R million	2023	Restated* 2022	2023	2022	2023	Restated* 2022	2023	Restated* 2022
South African operations	**3 420**	3 319	**(785)**	(809)	**2 635**	2 510	**(564)**	(605)
GrandWest	**597**	613	**(82)**	(116)	**515**	497	**(143)**	(138)
Sun City	**364**	260	**(142)**	(135)	**222**	125	**41**	–
Sibaya`	**428**	491	**(44)**	(45)	**384**	446	**(99)**	(124)
Sun Time Square	**508**	509	**(170)**	(186)	**338**	323	**(20)**	(35)
Carnival City	**198**	220	**(51)**	(56)	**147**	164	**(31)**	(38)
Boardwalk	**129**	112	**(44)**	(33)	**85**	79	**(14)**	(16)
Wild Coast Sun	**61**	95	**(36)**	(32)	**25**	63	**(2)**	(12)
Carousel and Sun Carousel	**(8)**	(5)	**–**	–	**(8)**	(5)	**(5)**	(13)
Meropa	**55**	67	**(15)**	(16)	**40**	51	**(11)**	(10)
The Table Bay Hotel	**135**	90	**(30)**	(27)	**105**	63	**(12)**	3
Windmill	**57**	66	**(15)**	(14)	**42**	52	**(12)**	(14)
Sun Slots	**351**	382	**(102)**	(94)	**249**	288	**(61)**	(78)
Flamingo	**12**	23	**(15)**	(12)	**(3)**	11	**2**	(2)
Golden Valley	**3**	16	**(11)**	(12)	**(8)**	4	**5**	(1)
SunBet	**221**	42	**(3)**	(3)	**218**	39	**(62)**	(12)
The Maslow Sandton	**13**	6	**(1)**	–	**12**	6	**17**	8
Other operating segments	**–**	–	**–**	–	**–**	–	**–**	–
Management and corporate office	**296**	332	**(24)**	(28)	**272**	304	**(157)**	(123)
Nigeria and other^^	**(19)**	2	**(15)**	(19)	**(34)**	(17)	**–**	(27)
Adjusted headline earnings adjustments (refer note 7)	**–**	–	**–**	–	**(98)**	(50)	**9**	29
Total	**3 401**	3 321	**(800)**	(828)	**2 503**	2 443	**(555)**	(603)

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

* The prior year comparative financial information was restated as per IAS 8, Change in Accounting Policies, whereby insurance receipts and restructuring costs are now included in adjusted EBITDA. For further information on the restatement, refer to note 30.

1. Segmental analysis continued

R million	Note	Non-current Assets 2023	Non-current Assets 2022	Borrowings# 2023	Borrowings# 2022	Capital expenditure^ 2023	Capital expenditure^ 2022
South African operations		**10 128**	9 778	**(6 478)**	(6 706)	**1 301**	1 064
GrandWest		**1 253**	1 010	**(36)**	93	**316**	89
Sun City		**2 438**	1 485	**(3 638)**	(3 379)	**425**	351
Sibaya		**813**	767	**(158)**	(162)	**108**	74
Sun Time Square		**3 381**	3 076	**(5 125)**	(5 223)	**70**	48
Carnival City		**654**	656	**(296)**	(369)	**54**	49
Boardwalk		**456**	379	**(563)**	(628)	**26**	132
Wild Coast Sun		**393**	377	**(216)**	(230)	**45**	41
Carousel and Sun Carousel		**36**	47	**161**	151	**–**	–
Meropa		**183**	183	**25**	9	**17**	16
The Table Bay Hotel		**84**	99	**(531)**	(621)	**8**	12
Windmill		**154**	156	**(23)**	(41)	**15**	16
Sun Slots		**1 009**	996	**(283)**	(197)	**133**	157
Flamingo		**78**	83	**(55)**	(59)	**8**	10
Golden Valley		**124**	123	**(14)**	1	**9**	10
SunBet		**21**	8	**148**	79	**5**	2
The Maslow Sandton		**136**	14	**(718)**	(644)	**21**	7
Other operating segments		**7**	–	**(47)**	(47)	**–**	–
Management and corporate office		**(1 092)**	319	**4 891**	4 561	**41**	50
Nigeria and Other^^		**248**	383	**(815)**	(746)	**9**	8
Total operating segments		**10 376**	10 161	**(7 293)**	(7 452)	**1 310**	1 072
Elimination of intragroup		**–**	–	**–**	–	**–**	–
		10 376	10 161	**(7 293)**	(7 452)	**1 310**	1 072
Other non-current assets							
Trade and other receivables		**105**	103	**–**	–	**–**	–
Deferred tax		**1 157**	1 057	**–**	–	**–**	–
Non-current assets held for sale	22	**106**	55	**–**	–	**–**	–
Other		**338**	365	**–**	–	**–**	–
Total		**12 082**	11 741	**(7 293)**	(7 452)	**1 310**	1 072

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

^ Excluding goodwill and other intangibles.

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

R million	2023	2022
2. Employee costs		
Salaries, wages, bonuses and other benefits	**(2 054)**	(1 933)
Pension costs – defined contribution plans	**(201)**	(179)
Other benefits – long service award	**(2)**	3
– post retirement	**(6)**	(5)
Employee share-based payments	**(46)**	(32)
	(2 309)	(2 146)

R million	2023	2022
3. Property and equipment rentals		
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)	**(41)**	(31)
Variable rental charges	**(100)**	(31)
	(141)	(62)
Rental commitments		
The group has no material short term rental agreements as at 31 December 2023.		
The future aggregate minimum lease payments under non-cancellable short-term rentals are as follows:		
No later than 1 year	**(26)**	(6)
	(26)	(6)

Refer to note 11 and note 24, on the IFRS16 impact on the groups rental commitments.

4. Operating profit is stated after charging the following:

R million	2023	2022
Auditors' remuneration	(22)	(19)
Audit fees	(18)	(18)
Fees for other services	(4)	–
Fees for other services (previous auditors)	–	(1)
Professional fees	(56)	(45)
Net loss on disposal of property, plant and equipment and intangible assets^	(31)	(15)

^ Refer to note 11 and note 12.

5. Finance income

R million	2023	2022
Interest earned on cash and cash equivalents	12	7
Interest earned on Sanlam pension fund surplus and other	17	13
	29	20

6. Finance expense

R million	2023	2022
Interest paid on borrowings	(607)	(427)
Profit relating to interest rate swaps*	–	56
Preference share dividends	–	(53)
Interest on lease liabilities	(75)	(82)
Imputed interest on loans payable	–	(11)
Interest capitalised**	20	2
	(662)	(515)

* This relates to the hedge ineffectiveness of interest rate swaps recognised in finance expense.

** Interest capitalised at an average rate of 9.75% (2022: 7.25%).

Lease liabilities

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

R million	2023	2022
Interest on lease liabilities:		
Freehold buildings	(67)	(74)
Freehold land	(7)	(7)
Plant, equipment and machinery	(1)	(2)
Other	–	1
	(75)	(82)

7. Adjusted EBITDA reconciliation

R million	2023	Restated* 2022
Operating profit	**2 503**	2 443
Depreciation and amortisation	**800**	828
Adjusted headline earnings adjustments	**98**	50
Net loss on disposal of property, plant and equipment and intangible assets	**31**	15
Net loss on disposal of investment	**–**	7
Peermont transaction costs	**37**	–
Other^	**30**	28
Adjusted EBITDA	**3 401**	3 321

^ The consolidation of the Sun International Employee Share Trust is reversed for the adjusted EBITDA reconciliation as the group did not receive the economic benefits of the 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.

* The prior year comparative financial information was restated as per IAS 8: Change in Accounting Policies, whereby insurance receipts and restructuring costs are now included in adjusted EBITDA. For further information on the restatement, refer to note 30.

8. Tax

R million	2023	2022
(a) Statement of comprehensive income		
Attributable to continued operations	**555**	603
Income tax expense – South Africa	**555**	603
	540	602
Current tax – current year	**484**	467
– prior years	**7**	3
Deferred tax – current year	**42**	112
– prior years	**7**	(10)
Deferred tax – adjustment due to rate change*	**–**	30
Capital gains tax	**–**	1
Withholding taxes	**15**	–
	555	603
Tax losses not recognised as deferred tax assets	**28**	33

* Corporate tax rate for South Africa changed from 28% to 27% during the 31 December 2022 financial year. This rate change affected the net deferred tax asset in 2022, and current tax in 2023.

8. Tax continued

Group reconciliation of effective tax rate

R million	South Africa	Nigeria	SunBet Africa Holdings	Sun Latam and Sun Chile	Group
2023					
Profit/(loss) before tax from continuing operations	1 875	(91)	(7)	(7)	1 770
Profit before tax from discontinued operations	–	–	–	173	173
Profit/(loss) before tax	1 875	(91)	(7)	166	1 943
Depreciation on non-qualifying buildings	39	–	–	–	39
Non-deductible expenditure – expenses incurred to produce exempt income	5	–	–	–	5
Other non-deductible expenditure*	108	–	–	–	108
Change in estimate of redemption value of put option	13	–	–	–	13
Exempt income – dividend income	(11)	–	–	–	(11)
Non-taxable income	(53)	–	–	–	(53)
Non-taxable income – Dreams S.A. first contingent consideration	–	–	–	(173)	(173)
Tax incentives	(29)	–	–	–	(29)
Losses for which no deferred tax asset raised	–	91	7	7	105
Taxable income	1 947	–	–	–	1 947
Statutory country tax rate	27.0%	30.0%	27.5%	27.0%	27.0%
Tax at standard rate	(526)	–	–	–	(526)
Withholding taxes	(15)	–	–	–	(15)
Adjustments for prior year current and deferred tax	(14)	–	–	–	(14)
Tax expense per the statement of comprehensive income	(555)	–	–	–	(555)
Effective tax rate	29.6%	–	–	–	28.6%

* Other non-deductible expenditure includes fines and penalties, legal fees, corporate social investment, employee dividend distributions and expenses not in the production of income.

8. Tax continued

Group reconciliation of effective tax rate continued

R million	South Africa	Nigeria	SunBet Africa Holdings	Sun Latam and Sun Chile	Group
2022					
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	2 076	1	–	–	2 077
Statutory country tax rate	28.0%	30.0%	27.5%	27.5%	28.0%
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	40.7%	–	–	–	44.1%

* 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

	Accelerated asset allowances/ prepaid expenses	Assessable losses	Fair value	Trade payables and other accruals	Net deferred tax
Opening balance as at 1 January 2022	236	(924)	(75)	(142)	(905)
Credited/(charged) 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/(over) 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)**

	Accelerated asset allowances/ prepaid expenses	Assessable losses	Fair value* asset	Fair value* liability and other	Trade payables and other accruals	Net deferred tax
Opening balance as at 1 January 2023	282	(788)	(8)	111	(372)	(775)
Credited/(charged) to statement of comprehensive income	79	33	(6)	(47)	(16)	43
– current year charge/(credit) to profit or loss	89	13	(19)	(23)	(18)	42
– prior year under/(over) provision	(10)	20	20	(24)	2	8
– charged to other comprehensive income	–	–	(7)	–	–	(7)
Charged directly to equity	–	–	–	2	–	2
Closing balance as at 31 December 2023	**361**	**(755)**	**(14)**	**66**	**(388)**	**(730)**

* To provide more appropriate disclosure the fair value has been broken down into further categories.

The assessed loss of R3.2 billion which is mainly attributable to Sun International South African Limited and Sun Time Square (2022: R3.3 billion), 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 R755 million (2022: R788 million) 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 2023 year's losses, with exception of a tax asset of R105 million (2022: R110 million) based on certain recognition criteria. This deferred tax asset could be recognised in future years once it meets said criteria.

R million	2023	2022
To be recovered after more than 12 months	**(769)**	(685)
To be recovered within 12 months	**(388)**	(372)
	(1 157)	(1 057)
Net deferred tax asset	**(730)**	(775)
Aggregate assets and liabilities on subsidiary company basis:		
Deferred tax assets	**(1 157)**	(1 057)
Deferred tax liabilities	**427**	282
	(730)	(775)

9. Return to shareholders

(a) Earnings and earnings per share (EPS)

R million	2023				Restated* 2022			
	Gross	Tax	Minorities	Net	Gross	Tax	Minorities	Net
Profit for the year	**1 943**	**(555)**	**(183)**	**1 205**	1 368	(603)	(210)	555
Headline earnings adjustments	**(167)**	**(1)**	**–**	**(168)**	15	(9)	(2)	4
Net loss on disposal of property, plant and equipment and intangible assets	**31**	**(8)**	**–**	**23**	15	(9)	(2)	4
Dreams S.A. first contingent consideration	**(173)**	**–**	**–**	**(173)**	–	–	–	–
Property damage insurance claims received	**(25)**	**7**	**–**	**(18)**	–	–	–	–
Headline earnings	**1 776**	**(556)**	**(183)**	**1 037**	1 383	(612)	(212)	559
Adjusted headline earnings adjustments	**148**	**(8)**	**(35)**	**105**	588	(20)	(35)	533
Change in estimated redemption value of put option	**13**	**–**	**–**	**13**	510	–	–	510
Foreign exchange losses	**69**	**–**	**(34)**	**35**	71	(20)	(35)	16
Net loss on disposal of investment	**–**	**–**	**–**	**–**	7	–	–	7
Peermont transaction costs	**37**	**–**	**–**	**37**	–	–	–	–
Property damage insurance claims received	**25**	**(7)**	**–**	**18**	–	–	–	–
Other	**4**	**(1)**	**(1)**	**2**	–	–	–	–
Adjusted headline earnings	**1 924**	**(564)**	**(218)**	**1 142**	1 971	(632)	(247)	1 092

* The prior year comparative financial information was restated as per IAS 8, Change in Accounting Policies, whereby insurance receipts and restructuring costs are now included in adjusted EBITDA. For further information on the restatement, refer to note 30.

9. Return to shareholders continued

	2023	Restated* 2022
Number of shares for diluted EPS and HEPS calculation (000's)		
Weighted average number of shares in issue	**244 096**	247 220
Adjustment for dilutive share awards	**1 557**	3 271
Diluted weighted average number of shares in issue	**245 653**	250 491
EPS (cents)		
Basic	**494**	224
Headline	**425**	226
Adjusted headline	**468**	442
Diluted basic	**491**	222
Diluted headline	**422**	223
Diluted adjusted headline	**465**	436
Continuing operations EPS (cents)		
Basic	**423**	224
Headline	**354**	226
Adjusted headline	**468**	442
Diluted basic	**420**	222
Diluted headline	**352**	223
Diluted adjusted headline	**465**	436
Discontinued operations EPS (cents)		
Basic	**71**	–
Headline	**71**	–
Adjusted headline	**–**	–
Diluted basic	**71**	–
Diluted headline	**70**	–
Diluted adjusted headline	**–**	–

* The prior year comparative financial information was restated as per IAS 8, Change in Accounting Policies, whereby insurance receipts and restructuring costs are now included in adjusted EBITDA. For further information on the restatement, refer to note 30.

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 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 2023.

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".

(b) Dividends declared and paid

	2023	2022
Dividends were declared by the company for the year ended 31 December 2023:		
Dividends paid by the company	**(985)**	(225)
Dividends paid to minorities in subsidiaries	**(215)**	(265)
Total dividends paid by the group	**(1 200)**	(490)
Interim dividend declared	**148 cents**	88 cents
Final dividend declared	**203 cents**	241 cents
Total dividend declared by the group	**351 cents**	329 cents

10. Acquisition/disposal of subsidiaries

(1) Purchase of shares in subsidiaries

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

	2023		2022	
	Shareholding acquired %	Purchase price Rm	Shareholding acquired %	Purchase price Rm
Sun Time Square Proprietary Limited	**14.25**	**89**	–	–
SunBet Africa Holdings	**–**	**–**	70	52
		89		52

(1a) 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.

(1b) During May 2023, Sun International (South Africa) Limited acquired Vast Way's shares and loan account in Sun Time Square. Vast Way disposed of its loan for R36 million and disposed of the shares for R89 million.

(2) Disposal of shares in subsidiaries

(2a) 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

(2) Disposal of shares in subsidiaries continued

(2b) 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 (R222 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 (R1.1 billion), a second contingent payment of CLP$31,755,000,000 (R655 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:

During the 2023 financial year, the conditions required for the first contingent consideration were met. The fair value measurement of the contingent consideration is considered to be the most current probability estimates and assumptions, including any risk and uncertainties in receiving the full amount of the contingent asset, as well as the estimated withholding tax relating to the contingent consideration. The amount relating to the first contingent consideration is expected within the next twelve months, therefore the effect of discounting was considered to be immaterial.

Management has assessed that the conditions required for the first contingent consideration have been met and has recognised a profit from discontinued operations of R173 million and a financial asset of R165 million.

Contingent 2 – Future performance:

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 (R1.1 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 being zero is at the effective date of the transaction and 31 December 2023.

No financial asset was raised as at 31 December 2022 for neither of the contingent considerations, and a financial asset to the value of R165 million was raised as at 31 December 2023 relating to the first contingent consideration. Management will continue to assess the consideration relating to the second contingent consideration 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

R million	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
Opening balance as at 1 January 2022	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)**

* Total of R2 million reclassification to intangible assets.

^ Operating equipment includes an immaterial number of vehicles.

11. Property, plant and equipment continued

R million	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
Opening balance as at 1 January 2023	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)
Reclassifications*	–	(50)	3	–	63	6	(1)	(22)	(1)
Exchange rate adjustments	–	14	(92)	(5)	(10)	–	(3)	(1)	(97)
Borrowing cost capitalised	–	–	11	3	–	–	–	6	20
Additions	45	108	216	85	422	64	118	181	1 239
Disposals	(17)	(1)	(13)	(4)	(21)	(3)	(1)	(1)	(61)
Operating equipment usage	–	–	–	–	–	–	(80)	–	(80)
Depreciation	(50)	(80)	(53)	(27)	(455)	(47)	(17)	–	(729)
Reclassified to assets held for sale	–	(51)	–	–	–	–	–	–	(51)
Closing balance as at 31 December 2023	**207**	**4 502**	**1 136**	**560**	**2 091**	**233**	**260**	**305**	**9 294**
Cost	**431**	**6 089**	**2 236**	**1 119**	**6 524**	**784**	**354**	**305**	**17 842**
Accumulated depreciation	**(224)**	**(1 587)**	**(1 100)**	**(559)**	**(4 433)**	**(551)**	**(94)**	**–**	**(8 548)**

* Total of R1 million reclassification to intangible assets.

^ Operating equipment includes an immaterial number of vehicles.

R million	2023	2022
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	**151**	172
Freehold land	**48**	51
Plant, equipment and machinery	**8**	6
	207	229
Amounts recognised in the statement of comprehensive income		
Depreciation charge of right of use assets		
Freehold buildings	**(40)**	(39)
Freehold land	**(3)**	(3)
Plant, equipment and machinery	**(7)**	(16)
Other	**–**	(2)
	(50)	(60)

The lease liability disclosure relating to IFRS 16: Leases is included in note 24.

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; and
- 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 11.25% to 21.25% (2022: between 10.32% to 20.32%).

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

- market risk premium of 6.00% (2022: 6.00%) for the South African;
- beta co-efficient of 0.96 (2022: 0.87) for the South African operations; and
- risk free rate of 11.01% (2022: 10.37%) 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 5.0% (2022: 4.6%) has been determined based on long-term CPI forecasts and real GDP forecasts.

The revenue growth rate from 2023 to 2024 has been determined based on an improvement of 2023. The year on year revenue growth rate from 2024 is based on a range between 4.5% to 5.0% (2022: 4.4% to 5.1%) which has been determined based on past performance and expected future growth. The above assessment did not give rise to any impairments as at 31 December 2023.

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 2024's revenue forecast) and therefore no sensitivities were disclosed.

R million	2023	Re-presented^ 2022
Capital commitments		
Authorised by the directors and contracted	**193**	205
Authorised by the directors but not contracted	**1 054**	708
	1 247	913

^ The prior year was based on the 5 year budget and the current year is based on the 1 year approved budget, which reflects more appropriate disclosure. The prior year was re-presented to align to the current year.

12. Intangible assets

R million	Computer software	Bid costs	Licences and exclusivity agreements	Goodwill	Leasehold premiums	Trade-marks	Total
Opening balance as at 1 January 2022	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)

* Total of R2 million reclassification from property, plant and equipment.

R million	Computer software	Bid costs	Licences and exclusivity agreements**	Goodwill	Leasehold premiums	Trade-marks	Total
Opening balance as at 1 January 2023	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)
Additions	47	–	–	–	–	–	47
Disposals/scrapping	(1)	(1)	–	–	(2)	–	(4)
Reclassification*	1	–	–	–	–	–	1
Amortisation	(39)	(3)	–	–	–	–	(42)
Closing balance as at 31 December 2023	**119**	**11**	**141**	**518**	**9**	**22**	**820**
Cost	842	557	155	518	9	22	2 103
Accumulated amortisation and impairments	(723)	(546)	(14)	–	–	–	(1 283)

* Total of R1 million reclassification from property, plant and equipment.

** During the current year, the useful lives of casino licenses were reassessed. Refer to the Annexure: Accounting policies section for further information around the change in estimate relating to the useful lives of the casino licenses.

12. Intangible assets continued

Impairment analysis

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

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.

	2023 Sun Slots CGU Goodwill and indefinite useful life intangible assets	2022 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 2023#	**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]*	**6.7% to 8.1%**	8.0% to 11.5%
– discount rate (pre-tax)	**21.40%**	16.60%
– terminal growth rate	**5.00%**	6.50%
Impairment charge	**No impairment charge**	No impairment charge

* The revenue growth rate from 2023 to 2024 has been determined based on the group achieving 8.1% of 2023 normalised revenue figures. The year on year revenue growth rate from 2024 has been determined based on past normalised performance and expectation for future growth.

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

13. Investment property

R million	2023	2022
Opening balance	**160**	61
Additions	**–**	99
Depreciation	**(9)**	(2)
Borrowing costs capitalised	**–**	2
Closing balance	**151**	160

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

R million	Fair value at 31 December 2023	Fair value at 31 December 2022
Commercial retail units, located in Gqeberha		
Level 3	**167**	160

The fair value of the investment property at 31 December 2023 was R167 million (2022: R160 million). The fair value of the property was determined by using the forecast cashflow for 2024 using a capitalisation rate of 9.5% (2022:9.5%), which is the capitalisation rate for similar properties in the Gqeberha area.

14. Contract assets

R million	2023	2022
Contract asset opening balance	**97**	88
Cost	**188**	160
Accumulated amortisation	**(91)**	(72)
Additions	**24**	28
Amortisation	**(20)**	(19)
Contract asset closing balance	**101**	97
Cost	**212**	188
Accumulated amortisation	**(111)**	(91)
Current portion	**22**	17
Non-current portion	**79**	80
	101	97

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	
R million	2023	2022
Non-current assets	**264**	263
Current assets	**1**	1
Total assets	**265**	264
Non-current liabilities	**229**	229
Current liabilities	**1**	2
Equity	**35**	33
Total liabilities and equity	**265**	264
Group proportionate share of the equity	**18**	17
Group carrying amount of investment	**32**	32
Summarised statement of profit and loss:		
Revenue	**29**	31
Expenses	**(26)**	(25)
Profit before tax	**3**	6
Tax	**(2)**	(2)
Profit after tax	**1**	4
Other comprehensive income	**(1)**	(3)
Total comprehensive income	**–**	1
Group proportionate share of comprehensive income	**–**	1

15. Investments and joint arrangements continued

(a) Equity-accounted investment continued

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 2023.

No dividends have been received from equity-accounted investments for the current year or prior year.

(b) Interests in joint operations

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.

16. Investment in listed shares

R million	2023	2022
Reconciliation of movement in the revaluation reserve for equity instruments		
Investment in listed shares designated at FVTOCI		
Opening balance	**356**	–
Investment in Grand Parade Investments	**4**	374
Fair value loss arising during the period	**(22)**	(18)
Closing balance	**338**	356

In the 2022 financial year, Sun International acquired a 22.6% shareholding of the issued share capital in GPI. Sun International has increased its shareholding to 22.8% of the issued share capital of GPI. The group does not have significant influence over GPI and the investment is classified as a financial asset not held for trading in an equity instrument. Refer to the critical judgements. A dividend of R10.7 million (2022: R12.9 million) received for the year is recognised in profit and loss. A loss of R22 million (2022: R18 million) on the fair value on the investment has been recognised in other comprehensive income. The resulting fair value of the investment of listed shares has been classified as a 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. Put option liabilities

R million	2023	2022
SunWest put option	**987**	974

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 (GrandWest 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 R987 million (31 December 2022: R974 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.

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 2023 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 2024 due to the regulatory approvals required. Therefore the SunWest put option is considered to be a non-current liability.

Quantitative disclosure of Western Cape assets as at 31 December 2023:

	Adjusted EBITDA	Debt	Multiple	Tsogo Sun shareholding
SunWest	**732**	**(568)**	**7.5**	**20.0%**
Worcester	**3**	**(14)**	**7.5**	**20.0%**

Quantitative disclosure of 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%

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.

R million	2023	2022
Increase in estimated redemption value of put option if the adjusted EBITDA increases with 5%	**54**	53

17. 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. The fair value of the put option at 31 December 2022 was Rnil. As per SENS announcement dated 08 August 2022, a proposed disposal by Sun Time Square Proprietary Limited of a portion of its property in Menlyn, to Menlyn Maine Investment Holdings Proprietary Limited and acquisition by Sun International (South Africa) limited of Vast Way Trade and Invest Proprietary Limited's shares and loan account in Sun Times Square. During May 2023, the proposed transaction was effected, whereby Sun International (South Africa) Limited acquired the 14.25% shareholding from Vast Way Trade and Invest Proprietary Limited. The Menlyn Maine put option at 31 December 2023 no longer exists. Refer to notes 10 and 22.

18. Retirement benefit information

IAS 19 valuation

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

R million	2023	2022
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
Surplus	–	9
Experience adjustment on plan obligations		
Experience adjustment on plan assets	–	(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)**	(68)

There is no balance remaining in the Employer Surplus Account (2022: R9 million). With effect from January 2023 the funds were transferred to the Sanlam Umbrella fund as per Section 15E application. The Sun International Pension Fund was placed in to liquidation with effect from 23 November 2023.

18. Retirement benefit information continued

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

R million	Pension fund liability 2023	Pension fund liability 2022	Post-retirement medical aid liability[1] 2023	Post-retirement medical aid liability[1] 2022
Present value of funded obligations	**–**	–	**(68)**	(68)
Balance at beginning of year	**–**	–	**(68)**	(74)
Current service cost (recognised through profit or loss)	**–**	–	**(1)**	(1)
Interest cost recognised through profit or loss)	**–**	–	**(9)**	(7)
Remeasurement gain (recognised through other comprehensive income)	**–**	–	**6**	10
Benefits paid and transfers made	**–**	–	**4**	4
Fair value of plan assets[2]	**–**	9		
Balance at beginning of year	**9**	9		
Expected return on plan assets	**–**	–		
Remeasurement gain (recognised through other comprehensive income)	**–**	–		
Benefits paid	**(9)**	–		
Present value of retirement benefit surplus	**–**	9		
Less: application of asset ceiling	**–**	–		
Balance at beginning of year	**–**	–		
Adjustment to asset ceiling (recognised through other comprehensive income)	**–**	–		
Pension fund asset	**–**	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 other comprehensive income for the year ending 31 December 2023 is R6 million (31 December 2022: R10 million).

2 The pension 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.

R million	Post-retirement medical aid liability[1] 2023	Post-retirement medical aid liability[1] 2022
The net amount recognised in profit or loss for the year	**10**	8
Current service cost	**1**	1
Interest income	**9**	7
The amounts recognised in other comprehensive income for the year	**(6)**	(10)
Net actuarial gain	**(6)**	(10)
Gain on settlement	**–**	–
Benefits paid	**–**	–
Effect of asset ceiling	**–**	–
The net amount recognised in total comprehensive income for the year	**4**	(2)
Plan assets comprise:		
Bonds and cash	**–**	–

18. 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	
%	**2023**	2022
Discount rate	**12.50%**	12.15%
Inflation rate	**7.00%**	7.05%
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.

19. Trade and other receivables

R million	Notes	2023	2022
Financial instruments			
Loans	19.1	**105**	104
Net trade receivables		**436**	438
Trade receivables		**492**	468
Less: loss allowance	19.2	**(56)**	(30)
Net casino debtors		**–**	4
Casino debtors		**2**	8
Less: loss allowance	19.3	**(2)**	(4)
Interest receivable		**1**	19
Restricted cash (funds in Escrow)$		**–**	254
Insurance assets		**16**	20
Dreams S.A. first contingent receivable (refer to note 10)		**165**	–
Other receivables~		**156**	122
		879	961
Non-financial instruments			
Prepayments*		**141**	129
Provident fund prepayment		**11**	123
VAT		**14**	20
		1 045	1 233
Non-current portion of loans		**(105)**	(103)
		940	1 130

* Prepayments include 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 as part of the purchase consideration was placed in Escrow as security for the settlement of a potential tax claim. The Latam gaming tax has been settled in June 2023 and the remaining funds expatriated to the group's South African bank account.

19. Trade and other receivables continued

19.1 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 2022:

R million	Instrument Value	Probability of default (PD)	Loss given default (LGD)	Exposure at default (EAD)	ECL
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	–
				Total:	11
				Movement during the prior financial year:	8

ECL as at 31 December 2023:

R million	Instrument Value	Probability of default (PD)	Loss given default (LGD)	Exposure at default (EAD)	ECL
Instrument					
Enterprise development loans^					
Performing	**40**	**5.82%**	**65.00%**	**40**	**2**
High risk	**4**	**16.57%**	**65.00%**	**4**	**–**
Credit impaired	**14**	**104.15%**	**65.00%**	**14**	**9**
Loan with Firefly Investments	**27**	**18.10%**	**13.59%**	**27**	**1**
				Total:	**12**
				Movement during the current financial year:	1

Applying the general IFRS 9 expected credit risk model resulted in the recognition of a loss allowance of R12 million (2022: R11 million) as at 31 December 2023 for debt investments at amortised cost and an increase in the allowance of R1 million (2022: 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 2022 and 31 December 2023, with only a negligible impact noted. Given this, these loans have not been included in the table presented above.

19. Trade and other receivables continued

19.2 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.

19. Trade and other receivables continued

19.3 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:

R million	2023	2022
Balance at the beginning of the year	**(34)**	(31)
Charge for the year	**(24)**	(3)
Balance at end of year	**(58)**	(34)

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

	2023			2022		
	Gross	Provision for doubtful debts	IFRS 9* provision matrix	Gross	Provision for doubtful debts	IFRS 9* provision matrix
Net trade receivables						
Fully performing	**265**	**–**	**–**	292	–	–
Past due by 1 to 30 days	**88**	**(1)**	**(1.14%)**	38	(1)	(2.63%)
Past due by 31 to 60 days	**34**	**(2)**	**(5.88%)**	28	(1)	(3.57%)
Past due by 61 to 90 days	**12**	**–**	**–**	8	–	–
Past due by more than 90 days	**93**	**(53)**	**(56.99%)**	102	(28)	(27.45%)
	492	**(56)**	**(11.38%)**	468	(30)	(26.45%)

	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 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	**2**	**(2)**	**(100.00%)**	5	(4)	(80.00%)
	2	**(2)**	**(100.00%)**	8	(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.

20. Inventory

R million	2023	2022
Merchandise	**37**	35
Consumables and hotel stocks	**98**	83
	135	118

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

21. Cash and cash equivalents

R million	2023	2022
Cash in the bank	**243**	381
Cash floats	**140**	165
	383	546
Cash at the bank is held in the following currencies:		
Rand	**145**	158
US Dollar	**48**	88
Chilean Peso	**30**	95
Nigerian Naira	**20**	40
	243	381

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 32.

22. Assets held for sale

Assets held for sale

Sun Time Square land

Sun 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 Vast Way Trade and Invest Proprietary Limited ("Vast Way") for an amount of R198 million. During May 2023, Sun International (South Africa) Limited acquired Vast Way's shares and loan account in Sun Time Square. Vast Way disposed of its loan for R36 million and disposed of the shares for R89 million. The carrying amount of the land and the parking bays is R55 million and R51 million, respectively. At year end the suspensive conditions had not yet been met but it is highly probable that the sale of the land and the real rights servitude over certain parking bays will be concluded during 2024.

	Sun Time Square Land and Parking Bays	
R million	2023	2022
Assets of the disposal group classified as held for sale:		
Property, plant and equipment	**106**	55
Total assets held for sale	**106**	55

23. Share capital and premium

R million	2023	2022
Authorised		
800 000 000 (31 December 2022: 800 000 000) ordinary shares of no par value		
Issued		
Share capital and premium	**3 042**	3 042
Treasury shares and share options	**(501)**	(442)
	2 541	2 600

All issued shares are fully paid.

17 616 548 shares (31 December 2022: 17 616 548) were placed under the specific control of the directors to allot and issue in accordance with the share plans.

	2023		2022	
	Number of shares	Rm	Number of shares	Rm
Shares in issue				
Movement during the year				
Statutory shares in issue	**262 052 195**	**3 042**	262 052 195	3 042
Shares in issue	**262 052 195**	**3 042**	263 905 660	3 100
Shares repurchased and cancelled	**-**	**-**	(1 853 465)	(58)
Treasury shares and share options	**(17 077 202)**	**(501)**	(16 389 205)	(442)
Balance at beginning of year	**(16 389 205)**	**(442)**	(15 487 983)	(419)
Share plan shares purchased	**(2 015 523)**	**(77)**	(1 313 532)	(36)
Share plan shares disposed of	**20 458**	**1**	73 404	2
Vested share awards	**1 307 068**	**17**	338 906	11
Closing balance	**244 974 993**	**2 541**	245 662 990	2 600
Treasury shares and share options				
Held by Dinokana	**6 719 759**	**170**	6 719 759	170
– 73.86% (2022: 73.86%) owned by Sun International	**4 963 214**	**41**	4 963 214	41
– 26.14% (2022: 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	**7 760 024**	**246**	7 072 027	187
	17 077 202	**501**	16 389 205	442

2 015 523 (31 December 2022: 1 313 532) RSP and CSP shares were purchased during the year under review and 1 327 526 (31 December 2022: 412 310) RSP, CSP and BMSP shares were disposed of. In the prior year 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.

23. Share capital and premium continued

(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.

(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.

- STI matching shares: An award of STI matching shares by Sun International may be made to eligible employees who have acquired open market shares (using the post-tax proceeds of their STI) up to a maximum 25% of their annual LTI allocation and who are required to remain employed by the group for not less than three years.
- Performance shares: An award of performance shares equal in value to the annual LTI allocation of the eligible employee less the value of the award of STI matching shares that the eligible employee is entitled to for that year may be made to eligible employees.

The CSP disclosure below include once-off committed shares whereby Sun International matched the senior executives and the large unit general managers who acquired Sun International shares in the open market, up to the value of their annual TCOE and using their own funds. These matched committed shares are held as forfeitable restricted shares for a three-year period, vesting in May 2025.

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 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**
Granted during the year	428 360	36.42	–	–	–	–	1 592 030	36.42
Vested: sold	(957 765)	14.17	–	–	–	–	–	–
Vested: retained	(349 303)	14.17	–	–	–	–	–	–
Forfeited	(97 149)	20.14	(2 319)	85.47	–	–	(617 129)	6.64
Balance as at 31 December 2023	**2 625 575**	**24.70**	**2 353**	**85.47**	**410 876**	**59.66**	**4 184 231**	**22.27**

23. Share capital and premium continued

(a) Share incentive schemes continued

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)
2024	669 703	25.80	1 083 116	7.16
2025	359 922	26.02	890 301	26.02
2026	412 959	36.42	1 592 030	36.42
	1 442 584	**28.90**	**3 565 447**	**22.76**

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:

	2023	2022
RSP/BSMP		
Weighted average grant price	**36**	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	**36**	26

The employee share based payment expense for the 12 months was R46 million (2022: R32 million).

24. 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 2023					
Non-current borrowings		**4 957**		**–**	**4 957**
Term facilities	9.83%	**4 200**		**–**	**4 200**
Boardwalk Mall	10.61%	**88**		**–**	**88**
Lease liabilities (IFRS 16)		**669**		**–**	**669**
Current borrowings		**1 521**		**815**	**2 336**
Term facilities	9.83%	**400**		**–**	**400**
Boardwalk Mall	10.61%	**3**		**–**	**3**
Lease liabilities (IFRS 16)		**84**		**–**	**84**
Minority interest loans		**–**	5.00%	**815**	**815**
Revolving credit facility		**500**		**–**	**500**
Short-term banking facilities		**534**		**–**	**534**
Total borrowings		**6 478**		**815**	**7 293**
Non-current		**4 957**		**–**	**4 957**
Current		**1 521**		**815**	**2 336**

The fair value of the borrowings approximates their carrying values. The fair value has been determined on a discounted cash flow basis using a discount rate of 9.9% (2022: 9.0%).

In the December 2022 financial year, 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

24. Borrowings continued

	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	9.5%	87		–	87
Lease liabilities (IFRS 16)		727		–	727
Current borrowings		792		746	1 538
Term facilities	8.5%	400		–	400
Boardwalk Mall	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
Non-current		5 914		–	5 914
Current		792		746	1 538

The borrowings are repayable as follows:

	Rand		US Dollar		Total	
R million	**2023**	2022	**2023**	2022	**2023**	2022
6 months or less	**237**	275	**815**	746	**1 052**	1 021
6 months – 1 year	**1 284**	517	**–**	–	**1 284**	517
1 – 2 years	**1 467**	995	**–**	–	**1 467**	995
2 – 3 years	**480**	1 477	**–**	–	**480**	1 477
3 – 4 years	**2 551**	485	**–**	–	**2 551**	485
4 years and onwards	**459**	2 957	**–**	–	**459**	2 957
	6 478	6 706	**815**	746	**7 293**	7 452
Secured					**–**	–
Unsecured					**7 293**	7 452
					7 293	7 452

As at 31 December 2023, none of the group's South African borrowings' interest rates were fixed. All of the interest rates 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 available liquidity of R2.3 billion (2022: R2.5 billion) at 31 December 2023.

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

In South Africa, the group has R7.9 billion funding facilities from a consortium of South African funders. The Nigerian debt has always been (and remains) ring-fenced to TCN, without recourse to the group balance sheet.

24. Borrowings continued

Lease liabilities

R million	2023	2022
Lease liabilities		
Opening balance	**805**	869
Acquisition of leases	**45**	3
Derecognition of leases	**(25)**	–
Add lease interest	**75**	82
Less lease payments	**(147)**	(149)
Closing balance	**753**	805
Current	**84**	78
Non-current	**669**	727

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.

R million	2023	2022
Profit after tax	**(57)**	(67)

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.

The group is not subject to externally imposed capital requirements.

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.

25. Contract liabilities

R million	2023	2022
Non financial instruments		
Contract liability	**702**	623
Sun City Vacation Club[1]	**702**	623
Current portion relating to the Sun City Vacation Club contract liability	**(144)**	(118)
	558	505

R million	2023	2022
Sun City Vacation Club		
Contract liability opening balance[1]	**623**	573
Increase in contract liability due to sales of timeshare	**78**	91
Revenue recognised in the current year	**(133)**	(122)
Recognition of deferred revenue relating to Lefika Villas	**145**	84
Other movements in contract liability, due to termination of contracts	**(11)**	(3)
Contract liability closing balance	**702**	623

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.

26. Trade payables and accruals

R million	2023	2022
Financial instruments		
Trade payables	**327**	262
Other payables	**13**	43
Accrued expenses*	**797**	821
Vast Way payable (refer to note 10)	**125**	–
Capital creditors	**24**	19
MVG liability	**77**	72
Cashless liability	**80**	84
Casino levies	**77**	72
Utility provisions	**58**	39
Advanced deposits	**49**	37
	1 627	1 449
Non financial instruments		
VAT	**85**	83
Employee related accruals	**208**	197
Bonus accrual	**80**	121
Post-retirement medical aid liability (refer to note 18)	**68**	68
Long service award[1]	**30**	28
Accrual for farewell gifts[2]	**4**	4
Other liabilities	**16**	27
Latam gaming tax provision	**–**	164
	2 118	2 141
Non-current portion relating to trade payables and accruals	**(118)**	(127)
	2 000	2 014

* 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 financial instruments approximates their carrying value due to its short term nature.

27. Cash flow information

R million	2023	2022
27.1 Tax paid		
(Liability)/Asset at the beginning of year	**(31)**	3
Current tax provided	**(506)**	(470)
Withholding tax	**15**	–
Liability at the end of year	**25**	31
	(497)	(436)
27.2 Interest paid		
Interest expense	**(661)**	(573)
Interest expense – Lease liabilities (IFRS16)	**75**	82
Interest capitalised	**20**	–
Imputed interest on loans payable	**–**	11
	(566)	(480)
27.3 Reconciliation of changes in liabilities arising from financing activities		
Opening debt balance (excluding IFRS 16 lease liabilities)	**6 647**	7 089
Cash flows		
Additional borrowings	**260**	775
Repayment of borrowings	**(400)**	(1 263)
Non-cash disposal of shareholder loan from non-controlling interest (refer to note 10 and note 24)	**(36)**	–
Forex movements	**69**	46
Closing debt balance (excluding IFRS 16 lease liabilities)	**6 540**	6 647

28. Subsidiaries with non-controlling interests

(a) Disposals and acquisitions

December 2023

Refer to note 10 regarding acquisitions and disposals made.

December 2022

Refer to note 10 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
R million	Afrisun Gauteng	Afrisun KZN	Emfuleni Resorts	SunWest International	Sun Slots	TCN
December 2023						
Statement of comprehensive income						
Profit/(loss) after tax	78	260	6	407	172	(90)
Total comprehensive income/(loss)	78	260	6	407	172	(90)
Non-controlling interest	5.35%	9.33%	20.34%	35.10%	30.00%	50.67%
Profit/(loss) after tax	4	24	1	143	52	(46)
Total comprehensive income/(loss)	4	24	1	143	52	(46)
Statement of financial position						
Current assets	99	94	73	275	153	32
Non-current assets	654	813	583	1 337	1 009	118
Current liabilities	(464)	(361)	(609)	(1 114)	(454)	(54)
Non-current liabilities	(35)	(81)	(103)	(93)	(99)	(1 252)
Net assets	254	465	(56)	405	609	(1 156)
Net assets attributable to non-controlling interests	14	43	(31)	142	(20)	(586)
Statement of cash flows						
Cash flows from/(used in) operating activities	152	325	124	624	282	(12)
Cash flows used in investing activities	(46)	(98)	(21)	(316)	(90)	(9)
Cash flows used in financing activities	(93)	(241)	(131)	(340)	(189)	–
Net increase/(decrease) in cash and cash equivalents	13	(14)	(28)	(32)	3	(21)
Dividends paid to non-controlling interests	(1)	(22)	–	(98)	(52)	–

Dividends paid to the remaining non-controlling interests amounted to R42 million (2022: R57 million).

28. 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
SunWest 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	100.0	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 joint venture		
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 TCN; which is Nigeria and SunBet Africa Holdings, which is Mauritius. Dormant entities are not disclosed.

** Sun International Limited holds this investment directly.

28. Subsidiaries with non-controlling interests continued

R million	South Africa Afrisun Gauteng	Afrisun KZN	Emfuleni Resorts	SunWest International	Sun Slots	Sun Time Square	Nigeria TCN
December 2022							
Statement of comprehensive income							
Profit/(loss) after tax	99	307	22	381	203	(39)	(111)
Total comprehensive income/(loss)	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/(loss)	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.

28. 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:

	2023	2022
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%

29. 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

R'000	2023	2022
Non-executive directors fees		
S Sithole (Chairman)	**1 290**	725
PDS Bacon[1]	**–**	163
BLM Makgabo-Fiskerstrand[2]	**–**	200
SN Mabaso-Koyana	**930**	829
EAMMG Cibie[3]	**–**	678
CM Henry	**902**	886
GW Dempster	**927**	874
TR Ngara	**740**	703
ZP Zatu Moloi	**771**	681
NT Payne	**839**	698
D Marole	**611**	291
	7 010	6 728

1 Retired on 31 March 2022.
2 Retired on 10 May 2022.
3 Retired on 31 December 2022.

Executive directors and key management remuneration

R'000	Basic remuneration	Bonuses/ performance related payments	Retirement contributions	Other benefits	Total remuneration excluding share awards	Fair value of share awards expensed	Total remuneration inclusive of share awards
December 2023 Full Time Directors*							
AM Leeming	8 243	5 682	1 119	201	15 245	7 941	23 186
N Basthdaw	4 354	2 014	582	38	6 988	3 723	10 711
Sub Total	12 597	7 696	1 701	239	22 233	11 664	33 897
Prescribed Officers							
G Wood	4 226	6 056	630	143	11 055	2 953	14 008
AG Johnston	3 158	1 291	448	219	5 116	1 245	6 361
VL Robson	3 012	1 235	583	66	4 896	1 312	6 208
Sub Total	10 396	8 582	1 661	428	21 067	5 510	26 577
Total	22 993	16 278	3 362	667	43 300	17 174	60 474

* These two directors have a six months notice period.

All the directors and prescribed officers are paid by Sun International Management Limited.

29. Related party transactions continued

R'000	Basic remuneration	Bonuses/ performance related payments	Retirement contributions	Other benefits	Total remuneration excluding share awards	Fair value of share awards expensed	Total remuneration inclusive of share awards
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

* These two directors have a six months notice period.

All the directors and prescribed officers are paid by Sun International Management Limited.

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

	2023		2022	
	Executive and other management	Average grant price	Executive and other management	Average grant price
EGP				
Opening balance	**195 641**	**59.66**	195 641	59.66
Movement in key management	**–**	**–**	–	–
Exercised	**–**	**–**		–
Lapsed: termination of employment	**–**	**–**	–	–
Lapsed: vesting condition not met	**–**	**–**	–	–
Granted	**–**	**–**	–	–
Closing balance	**195 641**	**59.66**	195 641	59.66
RSP & BSMP				
Opening balance	**1 035 580**	**16.16**	1 035 580	16.16
Movement in employees	**–**	**–**	–	–
Lapsed: termination of employment	**–**	**–**	–	–
Lapsed: vesting condition not met	**–**	**–**	–	–
Exercised	**–**	**–**	–	–
Closing balance	**1 035 580**	**16.16**	1 035 580	16.16
CSP				
Opening balance	**1 558 608**	**16.11**	802 687	6.77
Movement in key management	**–**	**–**	–	–
Vested	**–**	**–**	–	–
Lapsed: vesting condition not met	**(224 037)**	**6.64**	–	–
Granted	**535 009**	**36.42**	755 921	26.02
Closing balance	**1 869 580**	**23.06**	1 558 608	16.11

29. Related party transactions continued

Share awards held by executive directors by scheme

	2023		2022	
	AM Leeming	**N Basthdaw**	AM Leeming	N Basthdaw
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
Opening balance	**1 245 070**	**570 860**	831 051	365 533
Vested	**–**	**–**	–	–
Lapsed: vesting conditions not met	**(97 050)**	**(38 002)**	–	–
Granted	**238 541**	**96 505**	414 019	205 327
Closing balance	**1 386 561**	**629 363**	1 245 070	570 860
EGP	**108 109**	**34 394**	108 109	34 394
CSP	**900 075**	**398 753**	758 584	340 250
RSP & BSMP	**378 377**	**196 216**	378 377	196 216

Share awards held by prescribed officers by scheme

	2023		
	G Wood	**AG Johnston**	**VL Robson**
EGP	**–**	**27 153**	**25 985**
CSP	**253 736**	**105 538**	**100 500**
RSP & BSMP	**196 604**	**122 299**	**142 084**
Opening balance	**450 340**	**254 990**	**268 569**
Lapsed: vesting conditions not met	**(33 500)**	**(28 351)**	**(27 132)**
Granted	**86 463**	**57 175**	**56 325**
Closing balance	**503 303**	**283 814**	**297 762**
EGP	**–**	**27 153**	**25 985**
CSP	**306 699**	**134 362**	**129 693**
RSP & BSMP	**196 604**	**122 299**	**142 084**

	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

(b) Other related party relationships

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

Sun International Management Limited has a rental agreement with Firefly to the amount of R28 million (2022: 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). Sun International Management Limited has a loan receivable from FireFly with a balance of R28 million (2022: R25 million) at end of the year. Sun International Management Limited also has a right-of-use asset of R81 million and a lease liability of R144 million recognised.

There have been no further changes to the director's interest in the table above between the end of the financial year and 18 March 2024.

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

30. Restatement

Change in accounting policy

The company changed its accounting policy in respect of adjusted EBITDA.

Income associated with insurance claims and restructuring costs were previously excluded from adjusted EBITDA, the accounting policy has been changed to include them in adjusted EBITDA.

To provide more relevant information, income and expenses associated with insurance are included in adjusted EBITDA. Restructuring costs are costs incurred in the normal ordinary course of business and therefore provides more relevant information by including these costs in adjusted EBITDA.

R million	2022
Adjusted EBITDA as previously stated	3 306
Insurance receipts*	28
Restructuring costs**	(13)
Adjusted EBITDA restated	**3 321**
Adjusted headline earnings as previously stated	1 085
Net insurance receipts	16
Net restructuring costs	(9)
Adjusted headline earnings as restated	**1 092**

Cents per share	2022
Adjusted headline earnings as previously stated	439
Adjustment of insurance receipts	6
Adjustment for restructuring costs	(3)
Adjusted headline earnings as restated	**442**
Diluted adjusted headline earnings per share as previously stated	433
Adjustment of insurance receipts	6
Adjustment for restructuring costs	(3)
Diluted adjusted headline earnings as restated	**436**

* Income associated with insurance receipts received by the group during the 2022 financial year of R28 million ,which was previously excluded from the adjusted EBITDA, was derived from Sun City, Sibaya, Sun Time Square and Sun Slots. The aforementioned restatement has an impact on note 1: Segmental analysis, note 7: Adjusted EBITDA reconciliation and note 9: Return to shareholders.

** Restructuring costs incurred by the group during the 2022 financial year of R13 million, which was previously excluded from the adjusted EBITDA, was derived from Carnival City. The aforementioned restatement has an impact on note 1 : Segmental analysis, note 7: Adjusted EBITDA reconciliation and note 9: Return to shareholders.

There has been no changes in basic and diluted earning per share.

31. 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 (TCN) 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 counsel has estimated the potential exposure of these disputes and other matters taken to the relevant local courts as R52 million (2022: R85 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

Management has assessed that the conditions required for the first contingent consideration have been met and recognised as a financial asset. Further, management has assessed the fair value of the second contingent asset as nil at 31 December 2023 (2022: nil). Refer to note 10.

32. 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.

- Trade and other receivables – refer to note 19.
- Cash and cash equivalents – refer to note 21.

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 19.

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 19: 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.

32. 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 2023 and 31 December 2022 was determined as follows for trade receivables. Refer to note 19 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 2023						
Expected loss rate %	**0.00%**	**1.14%**	**5.88%**	**0.00%**	**57.89%**	**11.74%**
Gross carrying amount – trade receivables	**265**	**88**	**34**	**12**	**95**	**494**
Loss allowance	**–**	**(1)**	**(2)**	**–**	**(55)**	**(58)**
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)

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 the critical accounting judgements section – going concern and note 24 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.

R million	2023	2022
Banking facilities:		
Total banking facilities	**9 559**	9 979
Less: drawn down portion	**(7 293)**	(7 452)
Total undrawn banking facilities	**2 266**	2 527
Available cash balances	**383**	546

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 2023 and 31 December 2022, 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.

32. Financial risk management continued

R million	On demand or not exceeding six months	More than six months but not exceeding one year	More than one year but not exceeding two years	More than two years but not exceeding four years	More than four years	Imputed interest
December 2023						
Term facilities	**428**	**418**	**1 817**	**679**	**2 640**	**1 382**
Shareholder loan from non-controlling interest	**–**	**–**	**–**	**–**	**–**	**–**
Minority shareholder loan	**836**	**–**	**–**	**–**	**–**	**21**
Boardwalk Mall	**6**	**7**	**15**	**15**	**92**	**42**
Lease liabilities	**36**	**86**	**133**	**139**	**630**	**272**
Short term banking facilities	**26**	**560**	**–**	**–**	**–**	**52**
Revolving credit facility	**24**	**24**	**549**	**–**	**–**	**97**
Trade payables	**327**	**–**	**–**	**–**	**–**	**–**
Accrued expenses	**797**	**–**	**–**	**–**	**–**	**–**
Vast Way payable	**125**	**–**	**–**	**–**	**–**	**–**
Capital creditors	**24**	**–**	**–**	**–**	**–**	**–**
Other payables	**13**	**–**	**–**	**–**	**–**	**–**
Put option liability	**–**	**–**	**–**	**–**	**987**	**–**
	2 642	**1 095**	**2 514**	**833**	**4 349**	**1 866**
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

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.

32. Financial risk management continued

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.

	2023	2022
Profit after tax	**(57)**	(67)

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 2023 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 2022.

	2023	2022
US Dollar	**(5)**	(9)
Chilean Peso	**(20)**	(6)
Nigerian Naira	**2**	3

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.

32. Financial risk management continued

Credit Quality of Lenders

Table below depicting the credit rating of our various lenders.

	Credit Rating	
Institution	**2023**	2022
Nedbank	**BB-**	BB-
Standard Bank	**BB-**	BB-
ABSA Bank Ltd	**BB-**	BB-
Investec	**BB-**	BB-
Sanlam	**AA+**	AA+
Rand Merchant Bank (RMB)	**BB-**	BB-

33. Subsequent events

Except for the below matters, no significant subsequent events after 31 December 2023 and before the date of the annual financial statements being signed have been noted.

Proposed acquisition of the Peermont Group

On 4 March 2024, an Extraordinary General Meeting was held wherein the shareholders approved the formal offer for Sun International Limited to acquire all of the issued ordinary shares of, and any claims on the loan account against, Peermont Holdings for a purchase consideration of R7.3 billion, subject to substantive conditions being met and the transaction becoming effective. Refer to the directors report for additional information.

Dividend

Subsequent to year end the Board has declared a final gross cash dividend for the year ended 31 December 2023 of 203 cents, 162.4 cents net of dividend withholding tax, payable to shareholders recorded in the register of the company at the close of business on 12 April 2024.

ANNEXURE: ACCOUNTING POLICIES

for the year ended 31 December 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	Indefinite life
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.

During the year, the useful lives of intangible assets relating to licenses were reassessed. The useful lives were previously considered to be the period of the license and/or up to a maximum of 25 years, however, in order to ensure that the useful lives are aligned with the strategy of the group as well as taking into account market factors and the industry view of casino licenses, the useful life estimate was changed to indefinite. The change in accounting estimate has been treated prospectively from 1 January 2023. The casino licenses are deemed to not have an expiry date and as such are not amortised and are tested annually for impairment and whenever there is an indication that they may be impaired.

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	19.1
Investment in listed shares	FVTOCI	16
Current financial assets		
Loan receivables[a]	Amortised cost	19.1
Other receivables[b]	Amortised cost	19
Trade receivables[c]	Amortised cost	19.2
Casino receivables[d]	Amortised cost	19.3
Cash and cash equivalents	Amortised cost	21
Non-current financial liabilities		
Borrowings	Amortised cost	24
Put option liability	FVTPL	17
Current financial liabilities		
Trade and other payables[e]	Amortised cost	25
Borrowings	Amortised cost	24

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 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.

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) 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 17 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 24.

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;
- foreign exchange cover profits/losses; and
- other non recurring expenses which are unusual and infrequent in nature as a result of unforeseen and atypical events.

The prior period comparative financial information was restated as per IAS 8: Change in Accounting Policies, whereby insurance receipts and restructuring costs are now included in Adjusted EBITDA. For further information on the restatement, refer to note 30.

Adjusted headline earnings

The adjustments made in determining adjusted EBITDA are either reflected in the headline earnings adjustments required by Circular 1/2023 – 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.

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.

Amendments were made in September 2022 on *IFRS 16, Leases,* that require a seller-lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that does not result in recognition of a gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024.

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.

In November 2022, the International Accounting Standards Board (IASB) made an amendment to IAS 1, to specify that only covenants that an entity must comply with on or before the reporting period should affect classification of the corresponding liability as current or non-current. The entity is required to disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months. The amendments are applied retrospectively (applying IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors) and are effective for annual reporting periods beginning on or after 1 January 2024.

On 26 June 2023, the International Sustainability Standards Board (ISSB) published its first two IFRS Sustainability Disclosure Standards, IFRS S1, *General Requirements for Disclosure of Sustainability-related Financial Information*, and IFRS S2, *Climate-related Disclosures*. IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. Both Standards are effective for annual periods beginning on or after 1 January 2024, with substantial transitional reliefs to allow preparers more time to align reporting of sustainability related financial disclosures and financial statement.

In November 2023, the IFRS Interpretations Committee published a tentative agenda decision relating to IFRS 8 – Operating Segments and the disclosure of income and expense line items for reportable segments. Should finalisation occur, the decision could result additional detail being added to the current presentation of segmental information.

Shortly before the publication of these financial statements, the tentative agenda decision was still subject to the IASB's due process requirements. The Group will implement the guidance arising from the finalised agenda decision (if any) once it has had sufficient time to determine its impact and the need for any changes in presentation.

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 2023

R million	Notes	31 December 2023	31 December 2022
Dividend income	1	**788**	265
Other income	1	**13**	–
Operational costs	1	**(2)**	(2)
Operating profit	1	**799**	263
Impairment (loss)/gain on financial assets	7	**(7)**	174
Change in value of financial guarantee	11	**(16)**	93
Extinguishment and recognition of financial guarantee		**–**	34
Impairment reversal/(loss) on investment in subsidiaries	6	**189**	(22)
Foreign exchange gain		**38**	25
Interest income	2	**19**	14
Interest expense	3	**(3)**	(8)
Profit before tax		**1 019**	573
Taxation	4	**(16)**	(12)
Profit for the year		**1 003**	561
Other comprehensive income		**–**	–
Total comprehensive profit for the year		**1 003**	561

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

R million	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Investments in subsidiaries	6	**3 211**	3 211
Loans and receivables	7	**1 697**	1 707
		4 908	4 918
Current assets			
Loans and receivables	7	**1 131**	1 131
Cash and cash equivalents		**94**	94
		1 225	1 225
Total assets		**6 133**	6 143
EQUITY AND LIABILITIES			
Capital and reserves			
Ordinary shareholders' equity		**5 605**	5 621
		5 605	5 621
Non-current liabilities			
Deferred tax	8	**25**	15
		25	15
Current liabilities			
Financial guarantees	11	**29**	13
Accounts payable, accruals and other	10	**473**	488
Current tax payable		**1**	6
		503	507
Total liabilities		**528**	522
Total equity and liabilities		**6 133**	6 143

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2023

R million	Notes	31 December 2023	31 December 2022
Cash flows from operating activities			
Profit for the year		**1 003**	561
Adjusted for:			
Tax expense		**16**	12
Expected credit loss adjustment		**7**	(174)
Change in value of financial guarantee		**16**	(93)
Extinguishment and recognition of financial guarantee		**–**	(34)
Impairment (reversal)/loss of investment in subsidiaries		**(25)**	22
Forex exchange gain		**(38)**	(25)
Interest income		**(19)**	(14)
Interest expense		**3**	8
Other non cash movements		**–**	5
Cash generated from operations before working capital changes		**963**	268
Movement in working capital		**(2)**	(21)
Decrease/(increase) in trade and other receivables		**10**	(35)
(Decrease)/(increase in trade and other payables		**(12)**	14
Cash generated from operations		**961**	247
Taxation received	12	**4**	16
Dividends paid	5	**(1 019)**	(232)
Net cash (ouflow)/inflow from operating activities		**(54)**	31
Cash flows from investing activities			
Purchase additional investment in Sun Treasury (RF) Proprietary Limited		**–**	(551)
Loan repaid by subsidiaries	14	**60**	465
Loan advanced to subsidiary	14	**(25)**	-
Interest received		**19**	14
Net cash inflow/(outflow) from investing activities		**54**	(72)
Cash flows from financing activities			
Shares repurchased and cancelled	9	**–**	(58)
Repayment of borrowings		**–**	(25)
Loans received from subsidiaries		**–**	215
Net cash inflow from financing activities		**–**	132
Net cash and cash equivalents movement for the year		**–**	91
Cash and cash equivalents at beginning of year		**94**	3
Cash and cash equivalents at end of year		**94**	94

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

R million	Notes	Share capital and share premium	Retained earnings	Total equity
Balance at 31 January 2022		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
Profit for the year		–	1 003	1 003
Other comprehensive income for the year		–	–	–
Dividends paid	5	–	(1 019)	(1 019)
Balance at 31 December 2023		**2 858**	**2 747**	**5 605**

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2023

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 2023 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 32 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 of Sun Treasury (RF) 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 2023 the fair value less the accumulated amortisation was higher than the credit loss.

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 R1 003 million (2022: R561 million). The company is considered solvent, and its total assets exceed total liabilities by R5.6 billion (2022: R5.6 billion). The current assets exceed the current liabilities by R722 million (2022: 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.

R million	2023	2022
1. Operating profit is stated after the following:		
Income		
Dividends received from subsidiaries	**788**	265
Other income	**13**	–
Expenses		
Professional fees	**(2)**	(2)
	799	263
2. Interest income		
Interest earned on loans and receivables	**19**	14
	19	14
3. Interest expense		
Interest on accounts payable and other	**(3)**	(8)
	(3)	(8)

R million	2023	2022
4. Tax		
Current tax – current year	**(1)**	–
– prior year	**10**	3
Deferred tax – current year	**(10)**	(7)
– prior year	**–**	(9)
Deferred tax – rate change	**–**	1
Withholding tax	**(15)**	–
	(16)	(12)
Standard rate of tax	**27%**	28%
Tax at standard rate	**275**	160
Adjusted for:		
Exempt income ^	**(218)**	(162)
Other non- taxable income	**(53)**	–
Withholding tax	**15**	–
Prior year – current tax	**(10)**	(3)
Prior year – deferred tax	**–**	9
Deferred tax rate change	**–**	(1)
Disallowable expenses *	**7**	9
Tax per statement of comprehensive income	**16**	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.

R million	2023	2022
5. Dividends paid		
Dividends paid during the year	**1 019**	232

6. Investments in subsidiaries

	Percentage holding %	2023 Rm	Percentage holding %	2022 Rm
Shares at cost less impairment				
National Casino Resorts Manco Holdings Proprietary Limited#	**100%**	**–**	100%	–
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%	–
Dinokana Investments Limited#	**74%**	**–**	74%	–
Sun Chile#	**100%**	**–**	100%	–
Sun Treasury RF Proprietary Limited	**100%**	**619**	100%	619
Balance at end of year		**3 211**		3 211

Less than R1 million.

R million	2023
Impairment loss reversal	
Sun Latam – reversal of impairment loss on investment *	**164**
Sun Latam – reversal of impairment loss on loan receivable**	**25**
Total reversal of impairment loss	**189**

* The impairment reversal on the loan was a result of the capital reduction.
** The impairment reversal relates to a loan previously impaired and the loan was subsequently repaid.

Investments in subsidiaries were assessed for impairment at year end, Rnil (2022: R22 million) impairment loss was recognised. No impairment indicators were identified.

7. Loans and receivables

R million	2023	2022
Loans		
Other receivables	**20**	43
Preference shares in Dinokana Investments (Pty) Ltd	**178**	161
Loans to subsidiaries	**2 760**	2 757
	2 958	2 961
Current year IFRS 9 ECL	**(130)**	(123)
	2 828	2 838
Current portion	**(1 131)**	(1 131)
Long term portion	**1 697**	1 707
Loans are due over the following periods:		
Less than 1 year	**1 131**	1 131
1 year to 2 years	**–**	–
2 – 3 years	**178**	–
3 – 4 years	**–**	–
4 years and onwards	**1 519**	1 707
	2 828	2 838
The weighted average interest and dividend rates were as follows:		
Preference share investments	**10.8%**	8.5%
Loans to subsidiaries	**9.9%**	7.3%
The carrying amounts of the loans to subsidiaries are denominated in the following currencies:		
US Dollar	**404**	379
South African Rand	**2 226**	2 259
	2 630	2 638
ECL reconciliation		
ECL at the beginning of the year	**123**	297
Movement during the year	**7**	(174)
Balance at the end of the year	**130**	123

^ Applying the expected credit risk model for the year ended 31 December 2023 (as described in the group accounting policies – Annexure – Accounting Policies); resulted in a total loss allowance for the company of R130 million (2022: R123 million) for debt investments at amortised cost. This is a R7 million increase (2022: R174 million decrease) in the allowance in the current reporting period.

7. Loans and receivables continued

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. Stage 1 approach was used. In applying the general IFRS 9 general approach, the following was noted:

ECL as at 31 December 2023:

Instrument Value	Instrument value Rm	Probability of default (PD)	Loss given default (LGD)	ECL % forward looking	ECL Rm
Dinokana Preference Shares and Cumulative Dividends	**178**	**0.75%**	**5.00%**	**0.06%**	**–***
The Tourist Company of Nigeria PLC	**442**	**3.62%**	**36.97%**	**8.65%**	**38**
Sun International (South Africa) Limited	**26**	**0.75%**	**36.55%**	**0.99%**	**–***
Sun Time Square Proprietary Limited	**1 179**	**2.48%**	**36.70%**	**7.66%**	**90**
Sun Treasury Proprietary Limited	**1 113**	**0.75%**	**33.92%**	**0.19%**	**2**
					130

* Less than R1m.

An increase of 1% of the ECL forward looking assumptions would result in an additional provision of R31 million (2022: R51 million).

A decrease of 1% of the ECL forward looking assumptions would result in a lower provision of R17 million (2022: R51 million).

Loans – ECL on loans receivable sensitivity analysis – 31 December 2023

Facilities R million	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	**178**	**0.06%**	**–***	**1.06%**	**2**	**0.00%**	**–**
The Tourist Company of Nigeria PLC	**442**	**8.65%**	**38**	**9.65%**	**43**	**7.65%**	**34**
Sun International (South Africa) Limited^	**26**	**0.99%**	**–***	**1.99%**	**1**	**0.00%**	**–**
Sun Time Square Proprietary Limited	**1 179**	**7.66%**	**90**	**8.66%**	**102**	**6.66%**	**79**
Sun Treasury (RF) Proprietary Limited	**1 113**	**0.19%**	**2**	**1.19%**	**13**	**0.00%**	**–**
Total	**2 938**		**130**		**161**		**113**
Change in amount in applying sensitivity					**31**		**(17)**

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	178	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 R1 million.

7. Loans and receivables continued

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 – 1.51% and 3.27%), 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 2023, 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.

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 2023 would increase/decrease profit before tax by the amount shown below. This analysis assumes that all other variables remain constant.

31 December 2023	ZAR/USD	USD million (loan balance)	ZAR million	Impact on profit before tax
Current foreign exchange rate movement (loss)	**1.57470**	**24**	**(37.5)**	
Strengthening	**1.41723**		**(33.8)**	**(4)**
Weakening	**1.73217**		**(41.3)**	**4**

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

8. Deferred tax

R million	2023	2022
Balance at beginning of year	**(15)**	–
Statement of comprehensive income charge for the year	**(10)**	(7)
Prior year adjustments	**–**	(9)
Rate change	**–**	1
Balance at end of year	**(25)**	(15)
Deferred tax arises from the following temporary differences:		
Deferred tax assets		
Fair value adjustments	**–**	(8)
Balance at beginning of year	**(8)**	(8)
Charged to statement of comprehensive income	**8**	–
Provisions and accruals	**–**	8
Balance at beginning of year	**8**	8
Credited to statement of comprehensive income	**(8)**	–
Deferred tax liabilities		
Fair value adjustments	**(25)**	(15)
Balance at beginning of year	**(15)**	–
Charged to statement of comprehensive income	**(10)**	(7)
Prior year adjustments	**–**	(9)
Rate change	**–**	1
Total deferred tax liability	**(25)**	(15)

The company recognised a deferred tax liability amount of R25 million (2022: R15 million).

9. Share capital and premium

R million	2023	2022
Authorised		
800 000 000 (31 December 2022: 800 000 000) ordinary shares of no par value	**16**	16
100 000 000 (31 December 2022: 100 000 000) variable rate cumulative redeemable preference shares of 1 cent each	**1**	1
Issued		
Share capital	**1 151**	1 151
Share premium	**1 707**	1 707
	2 858	2 858

	2023		2022	
	Number of shares	Rm	Number of shares	Rm
Movement during the year				
Balance at beginning of year	**262 052 195**	**2 858**	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**	262 052 195	2 858

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. Accounts payable, accruals and other

R million	2023	2022
Other payables	**3**	15
	3	15
The fair value of accounts payable and accruals approximate their carrying value.		
Amount owing to related parties		
Sun International Executive Investments Limited	**20**	20
Sun International Incorporated	**222**	221
Sun International (South Africa) Limited	**228**	232
	470	473
Total accounts payable, accruals and other	**473**	488

11. Financial guarantees

The company has guaranteed the facilities of Sun Treasury (RF) Proprietary Limited. Refer to the significant judgements disclosed in the company's Principal Accounting Policy's.

R million	2023	2022
Financial guarantee liability – beginning of the prior year	**106**	164
Fair value of guarantees	**(93)**	(24)
Financial guarantee liability – end of prior year	**13**	140
Release of financial guarantee as a result of extinguishment	**–**	(140)
	13	–
Raise new financial guarantee liability – fair value	**–**	106
Fair value of the financial guarantee liability reversed/(charged)to the statement of comprehensive income	**16**	(93)
Financial guarantee liability –at end of year	**29**	13

11. Financial guarantees continued

As at 31 December 2023 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 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)

	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 2023 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	0.75%	33.8%	0.25%	**0.35%**	29
Total liability raised as at 31 December 2023						29
Total credit to the statement of comprehensive income						16

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

Refer to the note 24 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.

12. Cash flow information

R million	2023	2022
Tax received		
(Liability)/asset at beginning of year	**(6)**	7
Current year tax charged to statement of comprehensive income (refer note 4)	**9**	3
Liability at end of year	**1**	6
	4	16

13. 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.

R million	On demand or not exceeding six months	More than six months but not exceeding one year
31 December 2023		
Accounts payable, accruals and other	**473**	**–**

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

14. Related parties

The following transactions were carried out with related parties:

R million	2023	2022
(i) Directors emoluments		
Refer 29 in the group financial statements.		
(ii) Loans to related parties		
Loan to SunWest International Proprietary Limited:		
Gross balance at beginning of the year	–	25
Interest capitalised for the year	–	1
Expected credit loss adjustment	–	4
Loans – repaid	–	(30)
Net balance at end of the year	–	–
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	**404**	379
Foreign exchange gain	**38**	25
Expected credit loss adjustment	**(38)**	(25)
Net balance at end of the year	**404**	379
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	**26**	32
Insurance valuation	–	(6)
Net balance at end of the year	**26**	26
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	**1 239**	1 624
Loans – repaid	**(60)**	(385)
Expected credit loss adjustment	**(90)**	(97)
Net balance at end of the year	**1 089**	1 142
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	**1 092**	1 149
Interest	**(4)**	(7)
Loans received from Sun Treasury during the year	**25**	(50)
Expected credit loss adjustment	**(2)**	(1)
Net balance at end of the year	**1 111**	1 091

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

14. Related parties continued

R million	2023	2022
(iii) Loans from related parties		
Loan from Sun International Incorporated:		
Balance at beginning of the year	**221**	221
Loans advanced	**1**	–
Balance at end of the year	**222**	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	**232**	2
Non cash movement	**–**	15
Insurance valuation	**(4)**	–
Loans received	**–**	215
Balance at end of the year	**228**	232
The loan does not bear interest and has no fixed repayment terms.		
Loan from Sun International Executive Investments Limited:		
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.

R million	2023	2022
Reconciliation of liabilities from financial and investing activities due to loans to/from related parties		
Loans to related parties		
Gross opening balance	**2 761**	3 209
Foreign exchange loss	**38**	–
Interest capitalised	**(4)**	–
Loans received from subsidiaries	**25**	–
Loans advanced repaid by subsidiaries	**(60)**	(465)
Expected credit loss adjustment	**(130)**	(106)
Net closing balance	**2 630**	2 638
Loans from related parties		
Gross opening balance	**473**	243
Loans advanced during the year	**1**	215
Non-cash movements-insurance valuation	**(4)**	15
Net closing balance	**470**	473

15. Subsequent events

Refer note 33 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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