COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Notes	31 December 2020 Rm	*Restated 31 December 2019 Rm
DIVIDEND INCOME	1	**264**	130
Operational costs	1	**(29)**	(7)
OPERATING PROFIT	1	**235**	123
Expected credit loss adjustment	7	**(315)**	(1)
Impairment of Investments in subsidiaries	6	**(3 055)**	–
Impairment of loans receivable	7	**(25)**	–
Financial guarantee provisions	12	**(616)**	(5)
Foreign exchange gain/(loss)		**16**	(12)
Interest income	2	**78**	87
Interest expense	3	**(54)**	(50)
(LOSS)/PROFIT BEFORE TAX		**(3 736)**	142
Tax	4	**(10)**	(2)
(LOSS)/PROFIT OR THE YEAR		**(3 746)**	140
Other comprehensive income/(loss)		**–**	–
TOTAL COMPREHENSIVE (LOSS)/PROFIT FOR THE YEAR		**(3 746)**	140
Earnings per share (cents)			
– Basic	16	**(2 012)**	102
– Basic diluted	16	**(2 012)**	102

* The 2019 financial information was restated in the current year. Please refer to Note 13.

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Notes	31 December 2020 Rm	*Restated 31 December 2019 Rm	*Restated 1 January 2019 Rm
ASSETS				
NON-CURRENT ASSETS				
Investments in subsidiaries	6	**2 682**	6 628	6 523
Loans and receivables	7	**136**	201	113
Deferred tax	8	**4**	6	8
		2 822	6 835	6 644
CURRENT ASSETS				
Loans and receivables	7	**2 956**	930	844
Tax		**–**	7	–
Cash and cash equivalents		**1**	4	4
		2 957	941	848
TOTAL ASSETS		**5 779**	7 776	7 492
EQUITY AND LIABILITIES				
CAPITAL AND RESERVES				
Ordinary shareholders' equity		**4 567**	7 112	6 972
		4 567	7 112	6 972
NON CURRENT LIABILITIES				
Borrowings	10	**23**	77	161
		23	77	161
CURRENT LIABILITIES				
Financial guarantees	12	**705**	89	84
Accounts payable, accruals and other	11	**424**	453	275
Borrowings	10	**54**	45	–
Overdraft		**6**	–	–
		1 189	587	359
TOTAL LIABILITIES		**1 212**	664	520
TOTAL EQUITY AND LIABILITIES		**5 779**	7 776	7 492

* The 2019 financial information was restated in the current year. Please refer to Note 13.

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2020

	Notes	31 December 2020 Rm	31 December 2019 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated by operations	14.1	**255**	2
Tax paid	14.2	**(1)**	(11)
Net cash outflow from operating activities		**254**	(9)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	14.3	**68**	75
Other non-current and current investments and loans	14.4	**(1 463)**	–
Decrease in current loans to subsidiaries		**–**	161
Increase in current loans to subsidiaries	15	**(1 463)**	(161)
Net cash inflow/(outflow) from investing activities		**(1 395)**	75
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loan from related party	14.5	**(31)**	(11)
Related party loans received	14.5	**–**	6
Rights offer proceeds	9	**1 201**	–
Interest paid	14.6	**(54)**	(49)
Net cash (outflow)/inflow from financing activities		**1 116**	(54)
Effects of exchange rate changes on cash and cash equivalents		**16**	(12)
NET CASH AND CASH EQUIVALENTS MOVEMENT FOR THE YEAR		**(9)**	–
Cash and cash equivalents at beginning of year		**4**	4
CASH AND CASH EQUIVALENTS AT END OF YEAR		**(5)**	4

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2020

	Notes	Share capital and share premium Rm	Share based payment reserve Rm	Retained earnings Rm	Total equity Rm
BALANCE AT 31 DECEMBER 2018		1 715	–	5 341	7 056
IFRS 9 Financial Guarantees provision	12	–	–	(84)	(84)
RESTATED BALANCE AT 1 JANUARY 2019^		1 715	–	5 257	6 972
Restated total comprehensive profit for the year		–	–	140	140
RESTATED BALANCE AT 31 DECEMBER 2019*		1 715	–	5 397	7 112
Rights offer	9	1 201	–	–	1 201
Total comprehensive loss for the year		–	–	(3 746)	(3 746)
BALANCE AT 31 DECEMBER 2020		**2 916**	**–**	**1 651**	**4 567**

^ Opening retained earnings as at 1 January 2019 have been adjusted due to the prior period error effect of the IFRS 9 adjustment relating to Financial Guarantees, refer to Note 12 and 13.

* Restated due to the prior period error effect of the IFRS 9 adjustment relating to Financial Guarantees - refer to note 12 & 13.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2020

Principal accounting policies

All policies stated in the consolidated financial statements relate to the group and the companies within the group. The consolidated financial statements for the year ended 31 December 2020 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.

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 annual financial statements. Cost is adjusted to reflect changes in consideration arising from contingent consideration arrangements and includes the directly attributable costs of acquiring investments.

FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (REFER TO NOTE 29 IN GROUP ANNUAL FINANCIAL STATEMENTS)

Financial guarantee contracts

Prior to 2018

Inter-group financial guarantees existed prior to 2018 and should have been recognised at fair value and subsequently measured in terms of IAS 39 Financial Instruments: Recognition and Measurement (IAS 39). Subsequent to initial recognition, financial guarantees issued were measured in terms of IAS 39 at the higher of:

- The amount determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets (i.e. the best estimate of the expenditure required to settle the liability); and
- The amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with IAS 18 Revenue.

The adoption of IFRS 9 – 2019

The company adopted IFRS 9 Financial Instruments (IFRS 9) in 2019, effective from 1 January 2018. 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 fair value of a financial guarantee under both IAS 39 and 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.

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.

Prior period restatement

The value of the financial guarantee liability was determined to be the lifetime ECL of the guarantee facility in terms of IFRS 9 at the restatement date and not the amortised cost value. The lifetime ECL was determined to be higher for the inter-group financial guarantees (refer to note 12).

In order to restate the company financial statements and account for the inter-group financial guarantees, the financial guarantee liability was calculated in terms of both IAS 39 and IFRS 9, and adjusted for in retained earnings as at 1 January 2018. Subsequent measurement was done as at 31 Dec 2018 in terms of IFRS 9 and this value was used to restate the balance sheet as at 1 January 2019.

The entire debt agreement was renegotiated in November 2019 and this resulted in an extinguishment of the debt agreements, including an extinguishment of the guarantees. The liability was released through the statement of comprehensive income in the prior year.

The renegotiated debt agreement resulted in the company recording the new debt and financial guarantee liability through the statement of comprehensive income and was calculated using the lifetime ECL of the guarantee facility in terms of this new facility agreement.

Current year – 2020

The value of the financial guarantee liability has been calculated as a lifetime ECL of the guarantee facility in terms of the facility agreement at 31 December 2020. The difference between the value as at 31 December 2019 and 31 December 2020 has been recorded in the statement of comprehensive income in the current year.

The value of the financial guarantee liability was determined to be the lifetime ECL of the guarantee facility and not the amortised value, in terms of IFRS 9 because (refer to note 12).

Significant estimates and judgements

The company and other entities in the group contracted to, jointly and severally, guarantee the loan facility of Sun International Limited. As the company and other guarantors to the loan facility are jointly and severally liable, the financial guarantee liability is not apportioned between guarantors.

The restated value of the financial guarantee liability at 1 January 2019 was R84 million with the corresponding entry in retained earnings. This was determined by calculating the expected credit loss of the borrower, Sun International Limited, 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 loan.

On 29 November 2019, the company extinguished the existing debt and financial guarantee liability, with the corresponding entry in the statement of comprehensive income.

A new agreement was entered into between the company and the lenders. The fair value of the financial guarantee liability at initial recognition (29 November 2019) was R89 million with the corresponding entry in the statement of comprehensive income on the new loan agreement. 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 2019 the credit loss allowance of the borrower, Sun International Limited, was higher than the initial fair value less accumulated amortisation. The determination of the expected credit losses at 31 December 2019 included estimating the 12 month expected probability of default and the loss given default of the borrower, Sun International Limited. The credit risk of Sun International Limited increased in the current year due to the decrease in performance in the current year as well as taking the forward-looking assessment indicating a depressed economic outlook from the impact of COVID-19. The financial guarantee liability of R89 million was recognised on 29 November 2019 with the corresponding entry in the statement of comprehensive income.

At 31 December 2020, the credit loss allowance of the borrower, Sun International Limited, was higher than the initial fair value less accumulated amortisation. The determination of the expected credit losses at 31 December 2020 included estimating the lifetime expected probability of default and the loss given default of the borrower, Sun International Limited. The credit risk of Sun International Limited increased in the current year due to a further decrease in performance in the current year as well as taking the forward-looking assessment indicating a depressed economic outlook from the impact of COVID-19. The financial guarantee liability of R705 million was recognised on 31 December 2020 with the corresponding entry in the statement of comprehensive income.

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.

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2020

1. Operating profit is stated after the following:

	31 December 2020 Rm	31 December 2019 Rm
INCOME		
Dividends received from subsidiaries	**264**	130
EXPENSES		
Professional fees	**(6)**	(5)
Write-off of SME investment	**–**	(2)
Rights offer costs	**(21)**	
Professional fees: underwriting of rights offer	**(1)**	–
General expenses	**(1)**	–
	235	123

2. Interest income

	31 December 2020 Rm	31 December 2019 Rm
Interest earned on loans and receivables#	**78**	87
	78	87

3. Interest expense

	31 December 2020 Rm	31 December 2019 Rm
Interest paid on borrowings#	**(54)**	(50)
	(54)	(50)

4. Tax

	31 December 2020 Rm	31 December 2019 Rm
Current tax – current year	**(7)**	(3)
– prior year	**–**	4
Deferred tax – current year	**(2)**	(1)
– prior year	**–**	(1)
Withholding tax	**(1)**	(1)
	(10)	(2)
Standard rate of tax	**28.0%**	28.0%
Tax at standard rate	**(1 046)**	41
Adjusted for:		
Exempt income^	**(74)**	(40)
Non-taxable income		
Prior year – current tax	**–**	(4)
Prior year – deferred tax	**–**	(1)
Disallowable expenses*	**1 109**	1
Withholding tax	**1**	1
TAX PER STATEMENT OF COMPREHENSIVE INCOME	**(10)**	(2)

^ Exempt income relates to dividend income.

* Disallowable expenses include, non-deductible professional and legal fees, fines, penalties, expenses incurred to produce exempt income and impairments.

Amounts in the prior year were adjusted for an incorrect allocation that had a nil impact on the net interest.

5. Dividends paid

	31 December 2020 Rm	31 December 2019 Rm
No dividends were paid during the current and prior year	–	–

Given the difficult trading conditions due to the Covid-19 pandemic that resulted in a 3 months hard lockdown, followed by restricted trading conditions and a slow expected recovery period, coupled with the need to complete strategic group initiatives, particularly Time Square, and the need to reduce debt levels, the board has decided not to declare a dividend for the period under review.

6. Investments in subsidiaries

	31 December 2020 Rm	31 December 2019 Rm
SHARES AT COST		
Balance at beginning of year	**6 628**	6 523
Additional Investment in Sun International (South Africa) Limited	**–**	2 344
Additional investment in Sun International Chile SpA	**–**	177
Disposal of Stardust Enterprises Inc	**–**	(1 754)
Return on investment from Sun International Incorporated	**–**	(662)
Impairment of Dinokana Investments	**(550)**	–
Impairment of Sun Treasury RF Proprietary Limited investment	**(1 026)**	–
Capital reduction of Sun Chile SpA investment^	**(891)**	–
Impairment of Sun Chile SpA investment	**(1 479)**	–
BALANCE AT END OF YEAR	**2 682**	6 628

^ Refer to note 4 under the section: Impairment below.

IMPAIRMENT:

The company holds various investments in subsidiaries and has considered the impairment indicators of IAS36 to assess whether there were any indicators of impairment.

The company identified impairment indicators on the following investment in subsidiaries:

Entity	Note	Impairment indicator	Amount Rm
Sun International (South Africa) Limited	1	Indicator impairment of Sun City CGU	–
		Indicator impairment of The Maslow Sandton CGU	–
Dinokana Investments Proprietary Limited	2	Significant decline in fair value of investment held by entity	(550)
Sun Treasury RF Proprietary Limited	3	Significant decline in net asset value of the entity	(1 026)
Sun Chile SpA	4	Disposal of Sun Dreams group	(1 479)

Note 1: The Sun International (South Africa) Limited Group hold various investments within the group. In assessing the value-in-use of the underlying investments within group the following assumptions were applied:

- WACC rates:

  The discount rate that is used to determine the valuation of each operation is calculated for each country that Sun International operates in. Accordingly, the pre tax discount rate was determined for the South African (10.30% – 13.92%), (2019 – between 9.8% and 15.5%).

- Revenue growth rate:

  Year on year revenue growth rate [Y2 to Y6]* 3% to 4.5%

  The revenue growth rate from 2020 to 2021 has been determined based on the group achieving 80% of 2019 revenue figures in 2021. The year on year revenue growth rate from 2022 has been determined based on past performance and expected future growth. This is supported by the post lock down recovery of the group.

- Terminal growth rate

  Terminal growth rate for Sun City CGU was determined to be: 4.70%

The terminal growth rate has been determined based on long-term CPI forecasts and real GDP forecasts.
Due to the Maslow lease expiring at the end of 2031, the valuation model used a discounted cashflow period on the full remaining 10 years left on the lease with no perpetual growth rate and a nil terminal value incorporated.

Due to the headroom between the carrying value of the investment and the value in use of the subsidiary and its undertakings, no reasonable change in the WACC and terminal growth rate is expected to result in an impairment.

Note 2: The investment was fully impaired due to the prolonged decrease in the fair value of underlying assets.

Note 3: The investment was fully impaired due to the significant decline in the net asset value of the entity.

Note 4: Sun Latam sold its interest in Sun Dreams. Due to the underlying investment of Sun Dreams being sold, SIL's investment in Sun Chile has now been impaired. See Note 10 In the Consolidated Annual Financial Statements for further details. This transaction resulted in fully derecognising the investments held in Sun Chile (Dreams) via the impairment of R1 479 billion and the capital reduction of R891 million.

6. Investments in subsidiaries continued

Restructuring implemented in 2019 financial year

Sun International embarked on a group rationalisation process in the prior year to simplify its group structure by deregistering or liquidating dormant entities and, where possible, transferring the assets/business of its foreign incorporated (but South African tax resident) entities to South African incorporated and tax resident entities. This process took place on 28 February 2019.

The substance of the restructure was deemed to be a return of capital due to the deregistration or liquidation of the dormant entities and its foreign incorporated (but South African tax resident) entities after the distribution (a reduction of the cost of investment) as per IFRS 9 requirements. Section 47 and 46 of the Income Tax Act was also applied in the restructuring process.

The restructure resulted in the 30% investment (previously held by other group companies within Sun International including Sun International Incorporated) in Sun International (South Africa) Limited being unbundled from the group companies to enable Sun International Limited to directly gain a 100% ownership in Sun International (South Africa) Limited. This also resulted in the return of investment in Sun International Incorporated to Sun International Limited.

The result of the restructure was the acquisition of 100% of Sun International (South Africa) Limited by Sun International Limited and the deregistration of Stardust Enterprises Incorporated.

7. Loans and receivables

	31 December 2020 Rm	*Restated 31 December 2019 Rm
LOANS		
Preference shares in Dinokana Investments (Pty) Ltd^	**136**	125
Loans to subsidiaries^	**3 297**	1 007
	3 433	1 132
Current year IFRS 9 adjustment	**(316)**	(1)
Less: Write-off of loan receivable	**(25)**	–
	3 092	1 131
Current portion	**(2 956)**	(930)
	136	201
Loans are due over the following periods:		
Less than 1 year	**2 956**	930
1 year to 2 years	**24**	54
2 – 3 years	**–**	23
3 – 4 years	**–**	–
4 years and onwards	**112**	124
	3 092	1 131
The weighted average interest and dividend rates were as follows:		
Share incentive schemes	**NIB**	NIB
Preference share investments	**8%**	9.5%
Loans to subsidiaries	**8.1%**	8.5%
NIB – Non interest bearing		
The carrying amounts of the loans to subsidiaries are denominated in the following currencies:		
US Dollar	**251**	334
Chilean Pesos	**–**	358
South African Rand	**124**	122
	375	814

^ Applying the expected credit risk model for the year ended 31 December 2020 (as described in the group accounting policies – Annexure – Accounting Policies); resulted in a total loss allowance for the company of R316 million (31 December 2019 – R1 million) for debt investments at amortised cost. This is an R315 million increase 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. This approach remains consistent with the approach applied as part of the group's accounting policies as 31 December 2019. In applying the general IFRS 9 general approach, the following was noted:

ECL as at 31 December 2020:	Instrument value Rm	Probability of default (PD)	Loss given default (LGD)	Through cycle loss before forward adjustment	ECL % Forward Looking	ECL Rm
INSTRUMENT						
Dinokana Preference Shares and Cumulative Dividends	**137**	**6.60%**	**61.29%**	**4.05%**	**17.78%**	**24**
The Table Bay Loan	**129**	**5.36%**	**37.09%**	**1.99%**	**3.45%**	**5**
The Federal Palace of Nigeria	**348**	**21.01%**	**39.27%**	**8.25%**	**27.91%**	**97**
Sun International SA Limited	**31**	**6.42%**	**37.24%**	**2.39%**	**7.98%**	**3**
Sun Time Square Proprietary Limited	**1 624**	**9.66%**	**37.69%**	**3.64%**	**11.52%**	**187**
TOTAL:						**316**

An increase of 1% of the ECL forward looking assumptions would result in an additional provision of R22 million.

A decrease of 1% of the ECL forward looking assumptions would result in a lower provision of R23 million.

ECL as at 31 December 2019:	Instrument Value Rm	Probability of default (PD)	Loss given default (LGD)	Through cycle loss before forward adjustment	ECL % Forward Looking	ECL Rm
INSTRUMENT						
Dinokana Preference Shares and Cumulative Dividends	126	2.13%	5.00%	0.11%	0.21%	0.3
The Table Bay Loan	191	0.38%	49.25%	0.19%	0.35%	0.7
TOTAL:						**1.0**
MOVEMENT DURING THE FINANCIAL YEAR:						**315**

^ Use of IFRS 9 practical expedient applied.

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, unemployment rate as well as the effects of Covid-19 on the recoverability of receivables. The expected credit loss calculations were amended from a stage 1 (12 month ECL) to 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 2020, with only a negligible IFRS 9 impact noted. Given this, these loan have not been included in the table presented above.

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

8. Deferred tax

	31 December 2020 Rm	*Restated 31 December 2019 Rm
Balance at beginning of year	**(6)**	(8)
Statement of comprehensive income charge for the year	**2**	2
BALANCE AT END OF YEAR	**(4)**	(6)
Deferred tax arises from the following temporary differences:		
DEFERRED TAX ASSETS		
Fair value adjustments	**(7)**	(8)
Balance at beginning of year	**(8)**	(8)
Prior year adjustments	**–**	
Charged to statement of comprehensive income	**1**	–
Assessed losses	**–**	–
Balance at beginning of year	**–**	–
Prior year adjustments	**–**	–
Charged to statement of comprehensive income	**–**	–
Provisions and accruals	**3**	2
Balance at beginning of year	**2**	–
Charged to statement of comprehensive income	**1**	2
DEFERRED TAX LIABILITIES		
Doubtful debts and prepayments	**–**	–
Balance at beginning of year	**–**	–
Charged to statement of comprehensive income	**–**	–
NET DEFERRED TAX ASSET	**(4)**	(6)

Included in the company's recognised deferred tax assets is an amount of R4 million (2019: R6 million). The deferred tax asset arises from various taxable temporary differences, all of which are expected to be realised in future periods due to company successfully improving its margins and having future taxable profits available.

9. Share capital and premium

	31 December 2020 Rm	*Restated 31 December 2019 Rm
AUTHORISED		
800 000 000 (31 December 2019: 200 000 000) ordinary shares of 8 cents each	**16**	16
100 000 000 (31 December 2019: 100 000 000) variable rate cumulative redeemable preference shares of 1 cent each	**1**	1
ISSUED		
Share capital	**1 209**	8
Share premium	**1 707**	1 707
	2 916	1 715

9. Share capital and premium continued

	31 December 2020		31 December 2019	
	Number of shares	Rm	Number of shares	Rm
MOVEMENT DURING THE YEAR				
Balance at beginning of year	**136 730 964**	**1 715**	136 730 964	1 715
Rights offer*	**127 174 696**	**1 201**	–	–
STATUTORY SHARES IN ISSUE AT END OF YEAR	**263 905 660**	**2 916**	136 730 964	1 715
Weighted average number of shares in issue	**186 207 147**			

* In August 2020 a successful equity raise of R1.2 billion was concluded, increasing the issued share capital by 127,174,696 number of ordinary no par value shares.

10. Borrowings

	31 December 2020 Rm	*Restated 31 December 2019 Rm
NON CURRENT		
Total V&A loan	**77**	122
Current portion	**(54)**	(45)
TOTAL NON-CURRENT BORROWINGS	**23**	77

All borrowings are unsecured.

The V&A loan is carried at R77 million (31 December 2019: R122 million) and is held at amortised cost. The loan carries interest at 8.28% and the carrying value of the loan approximates the fair value. The loan had an initial repayment rate of 4% p.a based on the original loan value of R191 million and an escalation of 9% p.a. on the repayment value is noted thereafter.

The carrying amount of the borrowings are denominated in Rand.

The borrowings are repayable over the following periods:

	31 December 2020 Rm	*Restated 31 December 2019 Rm
Less than 6 months	**25**	21
6 months – 1 year	**29**	24
1 – 2 years	**23**	54
2 – 3 years	**–**	23
3 – 4 years	**–**	–
4 years and onwards	**–**	–
	77	122

10. Borrowings continued

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

	On demand or not exceeding 6 months Rm	More than 6 months but not exceeding 1 year Rm	More than 1 year but not exceeding 2 years Rm	More than 2 years but not exceeding 5 years Rm	More than 5 years Rm	Total Rm
31 DECEMBER 2020						
Borrowings	**28**	**30**	**24**	**–**	**–**	**82**
Accounts payable and accruals	**181**	**–**	**–**	**–**	**–**	**181**
	209	**30**	**24**	**–**	**–**	**263**
31 DECEMBER 2019						
Borrowings	26	28	58	25	–	137
Accounts payable and accruals	6	–	–	–	–	6
	32	28	58	25	–	143

	31 December 2020	31 December 2019
Interest rates		
Year end interest and dividend rates as follows:		
V&A loan	**8.3%**	8.3%
Weighted average	**8.3%**	8.3%

As at 31 December 2020, interest rates on all external company borrowings were fixed.

A change of 1% in interest rates at the reporting date would have (decreased)/increased profit after tax by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as for 31 December 2019.

	31 December 2020	31 December 2019
Increase of 1%	**(0.2)**	(0.1)
Decrease of 1%	**0.2**	0.1

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

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

11. Accounts payable, accruals and other

	31 December 2020	31 December 2019
Accrued expenses	**10**	4
Sun Dreams	**170**	155
Other payables	**1**	2
	181	161
The fair value of accounts payable and accruals approximate their carrying value.		
AMOUNT OWING TO RELATED PARTIES		
Sun Treasury	**–**	18
Sun International Trust	**20**	20
Sun International Incorporated	**221**	221
Sun International Management Limited	**2**	33
	243	292
TOTAL ACCOUNTS PAYABLE, ACCRUALS AND OTHER	**424**	453

12. Financial guarantees

The company has guaranteed all obligations of Sun Treasury Proprietary Limited in relation to the borrowings with the external lenders on behalf of the Sun International group, as well as the preference shares subscribed to by Sun International South Africa Limited. The company had not correctly accounted for the financial guarantee liability relating to the guarantees described in the prior periods. The 2020 financial statements of the company and the statement of financial position as at 1 January 2019 have been restated to correct the prior period error. Refer to the significant judgements disclosed in the Company's Principal Accounting Policies on page 117.

Carrying value of financial guarantees	Amount
RESTATED FINANCIAL GUARANTEE LIABILITY AT 1 JANUARY 2019	84
Released to statement of comprehensive income – extinguishment of debts and related guarantees	(74)
Fair value of the guarantee liability charged to statement of comprehensive income	79
FINANCIAL GUARANTEE LIABILITY AT 31 DECEMBER 2019	89
Fair value of the guarantee liability charged to statement of comprehensive income	616
FINANCIAL GUARANTEE LIABILITY AT 31 DECEMBER 2020	**705**

	Instrument value Rm	Avg 1 Year probability default	Loss given default (LGD)	Loss	1 Year ECL at 31 December	Guarantee at 31 December 2018 Rm
INSTRUMENT						
ECL AS AT 31 DECEMBER 2018:						
The company has guaranteed all obligations of Sun Treasury Proprietary Limited related to the following:						
Banking facilities	8 741	1.32%	39.24%	0.52%	**0.84%**	73.7
The company has also guaranteed the obligations of Sun International (South Africa) Limited related to the following:						
Redeemable preference shares	1 035	1.32%	39.24%	0.52%	**0.87%**	9.0
The company has also guaranteed the obligations related to the following:						
V&A Loan	126	1.32%	39.24%	0.52%	**0.83%**	1
Time Square minority debenture	36	1.32%	39.24%	0.52%	**0,86%**	0.3
						1.3
TOTAL LIABILITY RAISED AND RESTATED AS AT 1 JANUARY 2019						84
ECL AS AT 31 DECEMBER 2019:						
The company has guaranteed all obligations of Sun Treasury Proprietary Limited related to the following:						
Banking facilities	8 741	1.25%	33.89%	0.42%	**0.90%**	78.5
The company has also guaranteed the obligations of Sun International (South Africa) Limited related to the following:						
Redeemable preference shares	1 035	1.25%	33.89%	0.42%	**0.90%**	9.3
The company has also guaranteed the obligations related to the following:						
V&A Loan	126	1.25%	33.89%	0.42%	**0.70%**	0.9
Time Square minority debenture	36	1.25%	33.89%	0.42%	**0.87%**	0.3
						1.2
TOTAL LIABILITY RAISED AND RESTATED AS AT 31 DECEMBER 2019						89
TOTAL CHARGES TO THE STATEMENT OF COMPREHENSIVE INCOME						5

12. Financial guarantees continued

	Instrument value Rm	Avg 1 Year probability default	Loss given default (LGD)	Loss	Lifetime ECL at 31 December 2020	Guarantee at 31 December 2018 Rm
ECL AS AT 31 DECEMBER 2020:						
The company has guaranteed all obligations of Sun Treasury Proprietary Limited related to the following:						
Banking facilities	8 741	12.33%	34.41%	4.24%	7.11%	621
The company has also guaranteed the obligations of Sun International (South Africa) Limited related to the following:						
Redeemable preference shares	1 035	12.33%	34.41%	4.24%	7.67%	79.3
The company has also guaranteed the obligations related to the following:						
V&A Loan	126	6.42%	34.41%	2.21%	2.91%	3.7
Time Square minority debenture	36	2.49%	34.41%	0.86%	1.98%	0.7
						4.4
TOTAL LIABILITY RAISED AND RESTATED AS AT 31 DECEMBER 2020						705
TOTAL CHARGES TO THE STATEMENT OF COMPREHENSIVE INCOME						616

Refer to the Note 22 of the Sun International Limited consolidated financial statements for the details of the guaranteed borrowings.

13. Restatement

STATEMENT OF FINANCIAL POSITION (EXTRACT) AS AT 1 JANUARY 2019

	31 December 2018	Restatement	Restated 1 January 2019
Financial statement guarantees liability	–	84	84
Ordinary shareholders' equity	7 056	(84)	6 972

STATEMENT OF FINANCIAL POSITION (EXTRACT) AS AT 31 DECEMBER 2019

	31 December 2019	Restatement	Restated 31 December 2019
Financial statement guarantees liability	–	89	89
Ordinary shareholders' equity	7 201	(89)	7 112

STATEMENT OF COMPREHENSIVE INCOME (EXTRACT) AS AT 31 DECEMBER 2019

	31 December 2019	Restatement	Restated 31 December 2019
Increase in financial guarantee provision	–	(5)	(5)

14. Cash flow information

		31 December 2020 Rm	31 December 2019 Rm
14.1	**CASH GENERATED BY OPERATIONS**		
	Operating profit	**235**	123
	Non cash items and items dealt with separately:		
	Dividends in specie received	**–**	(121)
	Write-off of SME investment	**–**	2
	Cash generated by operations before working capital changes	**235**	4
	Working capital changes		
	Accounts payable and accruals	**20**	(2)
		255	2
14.2	**TAX PAID**		
	Liability at beginning of year	**7**	–
	Current year tax charged to statement of comprehensive income (refer note 4)	**(7)**	(3)
	Withholding tax	**(1)**	(1)
	Asset paid at end of year	**–**	(7)
		(1)	(11)
14.3	**INVESTMENT INCOME**		
	Interest income#	**78**	87
	Preference dividends	**(10)**	(12)
		68	75
14.4	**OTHER NON CURRENT AND CURRENT INVESTMENTS AND LOANS MADE**		
	Increase in current loans granted to subsidiaries	**(1 463)**	–
		(1 463)	–
14.5	**REPAYMENT OF BORROWINGS**		
	Decrease in non current borrowings	**(31)**	(11)
	Increase in current borrowings	**–**	6
		(31)	(5)
14.6	**INTEREST PAID**		
	Interest expense#	**(54)**	(50)
	Non-cash interest	**–**	1
		(54)	(49)

Amounts in the prior year were adjusted for an incorrect allocation that had a nil impact on the net interest.

15. Related party

The following transactions were carried out with related parties:

		31 December 2020 Rm	31 December 2019 Rm
(I)	LOANS TO RELATED PARTIES		
	Loan to Sun International Chile SpA:		
	Balance at beginning of the year	**358**	342
	Loans (repaid)/advanced during the year	**(358)**	16
	Arbitration fees	**–**	–
	Balance at end of the year	**–**	358
	The loan does not bear interest and has no fixed repayment terms.		
	Loan to SunWest International (Pty) Limited:		
	Balance at beginning of the year	**122**	161
	Loans repaid	**(45)**	(39)
	Expected credit loss adjustment	**(5)**	–
	Balance at end of the year	**72**	122
	The loan carries interest rate of 8.28% and had an initial repayment rate of 4% p.a. of the outstanding balance. The repayment rate escalates at 9% p.a.		
	Loan to The Tourist Company of Nigeria PLC:		
	Balance at beginning of the year	**334**	326
	Interest for the year	**3**	17
	Withholding taxes	**–**	(1)
	Foreign exchange loss	**11**	(8)
	Expected credit loss adjustment	**(97)**	–
	Balance at end of the year	**251**	334
	The loan is denominated in US dollars and bears interest at 5% and has no fixed repayment terms.		
	Loan to Sun Nao Casino Columbia SA:		
	Balance at beginning of the year	**–**	16
	Loan written off	**–**	(16)
	Balance at end of the year	**–**	–
	In the prior year Nao Casino Colombia SA was classified as a discontinued operation in terms of IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations and as at 30 September 2019 the operation was sold thus company has written off the loan receivable and recognised this write off in the profit and loss for the year.		
	Loan to Sun International (South Africa) Limited:		
	Balance at beginning of the year	**32**	–
	Loans advanced during the year	**–**	32
	Expected credit loss adjustment	**(3)**	–
	Balance at end of the year	**29**	32
	The loan does not bear interest and has no fixed repayment terms.		
	Loan to Sun Time Square (Pty) Limited:		
	Balance at beginning of the year	**161**	–
	Loans advanced during the year	**1 463**	161
	Expected credit loss adjustment	**(187)**	–
	Balance at end of the year	**1 437**	161

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

15. Related party continued

		31 December 2020 Rm	31 December 2019 Rm
(i)	LOANS TO RELATED PARTIES continued		
	Loan to Sun Treasury (RF) (Pty) Limited ("Sun Treasury"):		
	Payable balance at beginning of the year	**(18)**	(22)
	Interest received and capitalised for the year	**1**	(1)
	Repayments to Sun Treasury during the year	**25**	11
	Loans received from Sun Treasury during the year	**(87)**	(6)
	Proceeds from Latam sale advanced to Sun Treasury	**1 271**	–
	Balance at end of the year	**1 192**	(18)
	The loan bears interest at 9% and has no fixed repayment terms.		
(ii)	LOANS FROM RELATED PARTY		
	Loan from Sun International Incorporated:		
	Balance at beginning of the year	**221**	221
	Balance at end of the year	**221**	221
	The loan does not bear interest and has no fixed repayment terms.		
	Loan from Sun International (South Africa) Limited:		
	Balance at beginning of the year	**33**	3
	Loans (repaid)/received	**(31)**	30
	Balance at end of the year	**2**	33
	The loan does not bear interest and has no fixed repayment terms.		
	Loan from Sun International Trust:		
	Balance at beginning of the year	**20**	20
	Balance at end of the year	**20**	20

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

16. Return to shareholders

		31 December 2020 Rm	*Restated 31 December 2019 Rm
(a)	EARNINGS PER SHARE (EPS)		
	(LOSS)/PROFIT FOR THE YEAR	(3 746)	140
	NUMBER OF SHARES FOR DILUTED EPS CALCULATION (M'S)		
	Weighted average number of shares in issue (Note 9)	186	137
	Diluted weighted average number of shares in issue	186	137
	EPS/(LPS) (CENTS)		
	Basic	(2 012)	102
	DILUTED EPS/(LPS) (CENTS)		
	Basic	(2 012)	102

* The 2019 financial information was restated in the current year. Please refer to Note 13.

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

17. Subsequent events

No significant subsequent events after 31 December 2020 and before the date of the annual financial statements being signed were noted.