COMPANY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

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

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

COMPANY STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

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

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

COMPANY STATEMENT OF CASH FLOWS

for the year ended 31 December 2022

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

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

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

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

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

NOTES TO THE COMPANY FINANCIAL STATEMENTS

for the year ended 31 December 2022

Principal accounting policies

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

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

Accounting policies not reflected in the Group Annual Financial Statements

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

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

Operating profit

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

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

Financial guarantee contracts

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

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

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

Significant estimates and judgements

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

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

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

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

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

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

Impairment assessment of investment in subsidiaries:

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

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

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

Going concern

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

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

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

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

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

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

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

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

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

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

\# Less than R1m

^ The company purchased 551 ordinary shares of no par value shares in Sun Treasury RF Proprietary Limited, with effect 5 December 2022.

~ Impairment of investments in subsidiaries – 2022

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

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

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

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

7. Loans and receivables

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

NIB – Non interest bearing

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

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

ECL reconciliation		
ECL at the beginning of the year	**297**	317
Movement during the year	**(174)**	(20)
Balance at the end of the year	**123**	297

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

7. Loans and receivables continued

Market risk – foreign exchange rate risk

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

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

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

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

The adjustment noted above has been determined as follows:

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

ECL as at 31 December 2022:

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

* Less than R1m

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

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

7. Loans and receivables continued

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

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

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

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

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

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

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

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

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

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

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

8. Deferred tax

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

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

9. Share capital and premium

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

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

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

10. Borrowings

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

All borrowings are unsecured.

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

The carrying amount of the borrowings are denominated in Rand.

The borrowings are repayable over the following periods:

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

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

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

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

10. Borrowings continued

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

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

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

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

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

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

11. Accounts payable, accruals and other

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

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

12. Financial guarantees

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

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

12. Financial guarantees continued

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

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

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

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

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

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

13. Cash flow information

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

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

14. Restatement

Error recording Sun Dreams provision

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

Error corrected as at 31 December 2020

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

Error corrected as at 31 December 2021

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

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

Statement of cash flows

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

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

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

14. Restatement continued

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

Loans and receivables

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

15. Liquidity risk management and capital risk management

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

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

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

16. Related party

The following transactions were carried out with related parties:

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

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

16. Related party continued

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

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

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

17. Subsequent events

Refer Note 34 in the group financial statements.