NOTES TO THE GROUP FINANCIAL STATEMENTS

for the year ended 31 December 2021

Overall accounting basis

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

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

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

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

Critical accounting estimates and assumptions

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

Asset useful lives and residual values

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

Assessing the recoverability of deferred tax assets

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

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

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

Impairment of non financial assets

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

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

Refer to note 11 and 12.

Assessment for impairment of goodwill

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

Critical accounting judgements

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

Consolidation of SunWest International Proprietary Limited

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Going concern

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

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

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

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

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

Exchange rates

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

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

1. Segmental analysis

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

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

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

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

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

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

Time share income was separately shown out of Other income to provide additional detail.

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

Boardwalk includes Boardwalk Mall (refer to note 15).

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

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

1. Segmental analysis continued

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

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

1. Segmental analysis continued

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

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

^ Excluding of goodwill and other intangibles.

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

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

	31 December 2022 Rm	31 December 2021 Rm
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)	**(31)**	(26)
Variable rental charges	**(31)**	–
	(62)	(26)
Rental Commitments		
The group has the no material short term rental agreements as at 31 December 2022.		
The future aggregate minimum lease payments under non-cancellable short-term rentals are as follows:		
No later than 1 year	**(6)**	(7)
	(6)	(7)

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

4. Operating profit is stated after charging the following:

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

^ Refer to notes 11 & 12

5. Finance income

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

6. Finance expense

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

Lease Liabilities

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

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

7. Adjusted EBITDA reconciliation

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

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

8. Tax

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

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

8. Tax continued

Group reconciliation of effective tax rate

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

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

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

8. Tax continued

Group reconciliation of effective tax rate continued

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

8. Tax continued

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

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

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

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

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

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

8. Tax continued

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

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

9. Return to shareholders

(a) Earnings per Share (EPS)

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

9. Return to shareholders continued

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

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

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

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

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

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

(b) Dividends declared and paid

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

10. Acquisition/disposal of subsidiaries

(1) Purchase of shares in subsidiaries

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

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

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

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

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

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

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

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

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

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

(2) Deconsolidation of subsidiary

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

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

10. Acquisition/disposal of subsidiaries continued

(3) Disposal of shares in subsidiaries

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

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

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

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

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

10. Acquisition/disposal of subsidiaries continued

(3) Disposal of shares in subsidiaries continued

(3b) Details of the sale of the subsidiary

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

Contingent consideration if the following occurs:

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

Managements assessment of the fair value of the contingent considerations:

Contingent 1 – Renewal of the above noted casino licences:

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

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

Contingent 2 – Future performance:

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

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

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

11. Property, plant and equipment

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

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

11. Property, plant and equipment continued

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

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

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

^ Operating equipment includes an immaterial number of vehicles.

~ Right-of-use asset

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

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

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

11. Property, plant and equipment continued

Impairments

Impairment of cash generating units ("CGU"):

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

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

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

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

The factors above were tailored in the discount rates.

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

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

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

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

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

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

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

Sensitivity Analysis

We have not identified impairment indicators.

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

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

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

12. Intangible assets

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

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

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

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

12. Intangible assets continued

Impairment analysis

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

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

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

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

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

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

13. Investment property

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

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

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

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

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

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

14. Contract assets

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

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

15. Investments and joint arrangements

(a) Equity-accounted investment

FireFly Investments

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

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

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

15. Investments and joint arrangements continued

Group proportionate share of other comprehensive income (OCI)

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

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

No dividends have been received from equity-accounted investments.

eSwatini Investment

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

(b) Interests in joint operations

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

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

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

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

16. Investment in listed shares

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

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

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

17. Derivative financial instruments

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

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

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

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

(a) Hedged item:

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

(b) Classification of derivatives:

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

17. Derivative financial instruments continued

(c) Fair value of derivatives:

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

Change in fair value of hedging instrument recognised in OCI

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

(e) Amounts recognised in profit and loss:

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

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

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

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

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

18. Put option liabilities

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

SunWest put option

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

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

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

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

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

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

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

Put option sensitivity

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

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

18. Put option liabilities continued

Menlyn Maine put option

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

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

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

19. Retirement benefit information

IAS 19 valuation

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

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

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

19. Retirement benefit information continued

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

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

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

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

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

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

19. Retirement benefit information continued

Post retirement benefits

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

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

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

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

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

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

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

Sensitivity

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

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

20. Trade and other receivables

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

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

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

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

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

20. Trade and other receivables continued

20.1 Loans

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

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

ECL as at 31 December 2021:

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

ECL as at 31 December 2022:

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

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

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

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

20. Trade and other receivables continued

20.2 Net trade receivables

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

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

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

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

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

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

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

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

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

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

20. Trade and other receivables continued

20.3 Net casino debtors

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

Trade receivables and casino debtors IFRS 9: Financial Instruments impact

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

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

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

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

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

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

21. Inventory

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

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

22. Cash and cash equivalents

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

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

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

23. Assets held for sale and discontinued operations

Assets held for sale

Sibaya land

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

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

23. Assets held for sale and discontinued operations continued

Time Square land

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

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

eSwatini deconsolidation

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

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

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

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

24. Share capital and premium

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

All issued shares are fully paid.

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

24. Share capital and premium continued

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

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

(a) Share incentive schemes

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

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

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

(ii) Deferred bonus plan (DBP)

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

(iii) Equity growth plan (EGP)

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

24. Share capital and premium continued

(iv) Conditional share plan (CSP)

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

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

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

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

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

Valuation of share incentive grants

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

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

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

25. Borrowings

All borrowings are classified as level 3.

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

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

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

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

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

25. Borrowings continued

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

The borrowings are repayable as follows

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

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

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

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

25. Borrowings continued

Lease liabilities^

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

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

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

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

Cash flow interest rate risk

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

Interest rate sensitivity

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

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

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

Capital risk management

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

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

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

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

- Capital payments were deferred until 30 June 2021.

The group is not subject to externally imposed capital requirements.

25. Borrowings continued

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

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

26. Contract liabilities

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

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

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

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

27. Trade payables and accruals

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

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

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

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

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

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

28. Cash flow information

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

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

29. Subsidiaries with non-controlling interests

(a) Disposals and acquisitions

December 2022

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

December 2021

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

(b) Summarised financial information

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

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

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

29. Subsidiaries with non-controlling interests continued

Interest in subsidiaries*

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

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

** Sun International holds this investment directly.

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

29. Subsidiaries with non-controlling interests continued

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

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

29. Subsidiaries with non-controlling interests continued

(c) Sun International Employee Share Trust (SIEST)

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

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

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

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

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

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

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

30. Related party transactions

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

(a) Key management compensation

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

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

Executive directors and key management remuneration

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

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

30. Related party transactions continued

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

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

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

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

30. Related party transactions continued

Share awards held by executive directors by scheme

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

Share awards held by prescribed officers by scheme

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

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

30. Related party transactions continued

(b) Other related party relationships

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

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

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

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

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

31. Restatement

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

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

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

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

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

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

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

31. Restatement continued

Statement of cash flows

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

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

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

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

32. Contingent assets and liabilities

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

Nigeria

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

Dreams S.A. disposal price contingent receivable.

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

33. Financial risk management

Credit risk management

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

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

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

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

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

Impairment of financial assets

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

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

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

33. Financial risk management continued

Trade receivables and Casino Debtors

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

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

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

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

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

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

Liquidity risk management and capital risk management

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

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

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

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

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

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

33. Financial risk management continued

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

Market risk – interest rate risk

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

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

Cash flow hedge

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

33. Financial risk management continued

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

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

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

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

Market risk – foreign exchange rate risk

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

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

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

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

Market risk – price risk

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

The group doesn't have significant price risk exposure.

Fair value measurement

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

33. Financial risk management continued

Credit Quality of Lenders

Table below depicting the Credit rating of our various lenders.

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

34. Subsequent events

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

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