



ANNUAL FINANCIAL STATEMENTS



Hosken Consolidated Investments Limited

2025

OPERATING STRUCTURE

AS AT 31 MARCH 2025



UNLISTED COMPANIES



HCI Properties
(Division)

100%



100%



75.0%



42.4%



51.5%



90.0%



50.0%

TRUST



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SHAREHOLDERS' SNAPSHOT

ANALYSIS OF SHAREHOLDERS

Listed below is an analysis of shareholdings extracted from the register of ordinary shareholders at 31 March 2025.

	Number of shareholders	% of current shareholders	Number of shares	% of issued capital
Range of holdings				
1 – 1 000	2 740	76.7	498 110	0.6
1 001 – 10 000	549	15.4	1 824 542	2.1
10 001 – 50 000	162	4.5	4 020 883	4.7
50 001 – 100 000	41	1.1	2 910 528	3.4
100 001 – 500 000	55	1.5	11 005 371	12.7
500 001 – 1 000 000	16	0.4	10 887 936	12.6
1 000 001 shares and over	14	0.4	55 273 278	63.9
	3 577	100.0	86 420 648	100.0

Type of shareholder

Banks and custodians	101	2.8	9 443 875	10.9
Close corporation	19	0.5	26 477	0.0
Individual	2 705	75.7	22 020 372	25.5
Other corporation	121	3.4	4 446 039	5.1
Pension, provident, retirement and other funds	229	6.4	19 344 466	22.4
Private company	141	3.9	27 634 874	32.0
Public company	25	0.7	1 097 968	1.3
Trust	236	6.6	2 406 577	2.8
	3 577	100.0	86 420 648	100.0

Shareholders' diary

Financial year-end	31 March
Annual general meeting	28 August
Reports	
– Condensed annual financial statements	May
– Annual financial statements	July
– Interim report at 30 September	November

SHAREHOLDERS' SNAPSHOT

(continued)

SHAREHOLDINGS GREATER THAN 5%

	2025 %	2024 %
Southern African Clothing and Textile Workers Union	22.5	23.3
Chearsley Investments Proprietary Limited	7.7	7.6
Squirewood Investments 64 Proprietary Limited*	5.2	5.3
Rivetprops 47 Proprietary Limited	5.0	5.0
Zarclear (RF) Proprietary Limited	3.6	5.6
	44.0	46.8

* Treasury shares

SHAREHOLDER SPREAD

	Percentage held		Number of shareholders	
	2025 %	2024 %	2025	2024
Public	51.8	52.2	3 560	3 684
Non-public	48.2	47.8	17	18
Directors	8.0	7.9	6	6
Associates of directors	10.9	11.0	5	7
Significant shareholder	22.5	23.3	1	1
Share trust	0.2	0.2	1	1
Foundation	0.3	–	1	1
Treasury shares	6.3	5.4	3	2
	100.0	100.0	3 577	3 702

Stock exchange performance

Total number of shares traded ('000)	21 859
Total value of shares traded (R'000)	3 799 776
Market price (cents per share)	
– Closing	13 496
– High	20 215
– Low	12 890
Market capitalisation (R'000)	10 870 497

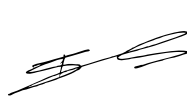
APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The directors of Hosken Consolidated Investments Limited are responsible for the preparation, integrity and fair presentation of the annual financial statements of the Company and of the Group, as set out on pages 23 to 133, and for other information contained therein. The financial statements for the year ended 31 March 2025 have been prepared in accordance with IFRS® Accounting Standards, South African Financial Reporting Requirements, the Listings Requirements of the JSE Limited and the Companies Act of South Africa and include amounts based on prudent judgements and estimates by management.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Group or any company within the Group will not be a going concern in the foreseeable future based on forecasts and available cash resources. These financial statements support the viability of the Company and the Group.

The financial statements have been audited by the independent auditing firm, Forvis Mazars, which was given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the board of directors and committees of the board. The directors believe that all representations made to the independent auditor during the audit were valid and appropriate.

The financial statements for the year ended 31 March 2025 were approved by the board of directors on 28 July 2025 and are signed on its behalf by:



VE Mphande
Chairperson



JA Copelyn
Chief Executive
Officer



AF Pereira
Financial Director

Cape Town
28 July 2025



STATEMENTS OF RESPONSIBILITY

FOR THE YEAR ENDED 31 MARCH 2025

DECLARATION BY CHIEF EXECUTIVE OFFICER AND FINANCIAL DIRECTOR

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

- (a) the consolidated and separate annual financial statements set out on pages 23 to 133, fairly present in all material respects the financial position, financial performance and cash flows of the Group and the Company in accordance with IFRS Accounting Standards, the requirements of the JSE Limited and Companies Act of South Africa;
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would result in the annual financial statements being false or misleading;
- (c) internal financial controls have been put in place to ensure that material information relating to the Company and its subsidiaries have been provided to effectively prepare the annual financial statements of the Group and the Company;
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- (e) where we are not satisfied, we have disclosed to the audit and risk committee and the external auditor any deficiencies in design and operational effectiveness of the internal financial controls and have remediated the deficiencies; and
- (f) we are not aware of any fraud involving directors.



JA Copelyn
Chief Executive Officer



AF Pereira
Financial Director

Cape Town
28 July 2025

DECLARATION BY COMPANY SECRETARY

Hosken Consolidated Investments Limited (HCI) has complied with all statutory and regulatory requirements in accordance with the Financial Markets Act, Act 19 of 2012, and all directives issued by the Financial Sector Conduct Authority.

In terms of section 88 of the Companies Act, Act 71 of 2008, as amended (the Act), I hereby confirm that HCI has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Act and that all such returns are true, correct and up to date.

HCI Managerial Services Proprietary Limited

HCI Managerial Services Proprietary Limited
Company Secretary

Cape Town
28 July 2025



REPORT OF THE AUDIT AND RISK COMMITTEE

Chairperson: Mr MH Ahmed

Members: Mr JG Ngcobo and Ms RD Watson

INTRODUCTION

The audit and risk committee (the committee) has pleasure in submitting this report in respect of the past financial year of the Group, as required by section 94 of the Companies Act 71 of 2008, as amended (the Act). The responsibilities and functions carried out by the committee during the year under review are set out in this report.

The committee is a statutory committee constituted in terms of section 94(7) of the Act to provide oversight of the financial reporting process, the audit process, the Company's system of internal controls and compliance with laws and regulations. The committee serves as the audit and risk committee for Hosken Consolidated Investments Limited (HCI or the Company), HCI Resources Proprietary Limited, HCI Managerial Services Proprietary Limited, HCI's property division, La Concorde Holdings Limited and GRIPP Advisory Proprietary Limited.

The committee's mandate is set out in its terms of reference and includes the following responsibilities:

- monitoring the accuracy and integrity of the Group's financial and other reporting;
- monitoring the effectiveness of risk management processes and internal controls;
- reviewing and approving the internal audit plan and scope of work, including the expertise of the internal auditors;
- reviewing the independence of the external auditor;
- recommending the appointment of the external auditor to shareholders on an annual basis;
- reviewing the scope, results and cost-effectiveness of independent accounting and valuation services; and
- reviewing the expertise and experience of the financial director.

COMPOSITION

In terms of the Act shareholders are required to approve audit and risk committee members at the annual general meeting (AGM) of the Company. Three independent non-executive directors of the Company were approved by shareholders at the 2024 AGM to serve until the next AGM scheduled for 28 August 2025.

Mr MH Ahmed, Mr JG Ngcobo and Ms RD Watson have been nominated to the committee, subject to shareholder approval at the AGM. The election of members of the committee will take place by way of separate resolutions to be considered by shareholders. The content of these ordinary resolutions is set out in the notice of the AGM.

At least two independent non-executive directors are required to form a quorum.

The committee members possess all the required qualifications, skills and experience to ensure that the committee is suitably skilled to perform the role required by the terms of reference of the committee. The chairperson of the board is not a member of the committee. The committee met four times during the year under review.

The attendances of the committee members are presented below:

Committee member	Number of meetings	Attendance of member
MH Ahmed	4	4
JG Ngcobo	4	4
RD Watson	4	4

The financial director, the Group's risk officer and the Group's financial manager attend the meetings as permanent invitees, along with the external and internal auditors. Other directors and members of management attend as required.

ROLE, PURPOSE AND FUNCTION

Combined assurance

With the assistance of internal audit, external audit, the financial director and the chief risk officer, the committee provides assurance to the board that the risk management process, internal controls and financial reporting processes are integrated into the daily business activities of the business entities in line with the risk appetite of the Company.

External auditor

The external auditor for the period under review was Forvis Mazars and Ms Yolandie Ferreira was the designated auditor.

The committee has:

- confirmed the independence of the external auditor as per section 92 of the Act, reviewed the performance of the external auditor and confirmed that the external auditor, the partner and the firm, have complied with the suitability requirements of the JSE Listings Requirements;
- approved the fees to be paid to the external auditor and their terms of engagement;
- determined the nature and extent of any non-audit services that the external auditor may provide to the Company and its wholly-owned subsidiaries;
- pre-approved any proposed agreement with the external auditor for the provision of non-audit services to the Company and its wholly-owned subsidiaries;

REPORT OF THE AUDIT AND RISK COMMITTEE

(continued)

- considered the key audit matters as identified by the external auditor;
- provided for regular confidential meetings between the committee members and the external and internal auditors; and
- considered all entities included in the consolidated financial statements in respect of financial reporting procedures.

Risk management

The board acknowledges that it is accountable for the process of risk management and the system of internal control of the Group. As HCI is an investment holding company, under the auspices of the chief risk officer, the risk management process considers the risks and opportunities within the Company as well as those inherent in its portfolio of investments.

The committee is an integral component of the risk management process and, specifically, the committee ensures, by enquiry of management, external and internal auditors, that all material corporate risks have been identified, assessed, monitored and effectively managed.

The committee further enables the principle that risk management is also about analysing opportunities and not only guarding against downside possibilities. Internal control structures have been implemented to ensure that significant business and financial risk is identified and appropriately managed:

- it is management's responsibility to design, implement and monitor the risk management policies;
- risk assessments are performed on a continual basis;
- frameworks and methodologies are implemented to increase probability of anticipating unpredictable risks;
- risk responses by management are considered and implemented;
- risks are monitored continuously; and
- the board should receive assurance regarding effectiveness of risk management.

A disciplined and timeous reporting structure enables the committee to be fully apprised of Group company activities, risks and opportunities. This is achieved by requiring that subsidiary companies report their key risks and responses to the committee on a biannual basis, with additional exception reporting as required.

The focus is on those risks which may negatively impact the long-term sustainability of the business or have a material impact on short-term performance.

This continual emphasis on risk management assists the board to foster a culture in the HCI Group that emphasises and demonstrates the benefits of a risk-based approach to internal controls and management of the Group.

Effective risk management is seen as fundamental to the sustainability of the Group's interests.

Material risks

A high-level description of all immediately identifiable material risks which are specific to the Group and the industries in which it operates are listed below:

Economic environment in South Africa

- Policy uncertainty: The coalition government formed after the May 2024 elections has led to differing policy positions, particularly on the budget and aborted VAT increase, land expropriation and national health insurance.
- Load shedding: Despite a significant reduction in load shedding over the past year, there is still uncertainty about the permanence of this improvement.
- The Financial Action Task Force (FATF) grey list: South Africa remains on the grey list due to deficiencies in combating money laundering, terrorism financing and illicit financial flows.
- Geopolitical tensions: Ongoing tensions with the United States of America have been exacerbated following the change in US administration, including in relation to its tariff policy which can affect trade and economic growth.

Policy uncertainty/regulatory changes

- Broad-based black economic empowerment (B-BBEE) and employment equity (EE): Compliance with evolving B-BBEE and EE regulations, which includes sector-specific numerical targets aimed to ensure equitable representation of designated groups.
- Beneficial ownership disclosure: Regulations requiring disclosure of beneficial ownership to combat financial crimes.
- Digital terrestrial television migration: The finalisation of the migration has faced delays and technical issues.
- Tobacco legislation: Changes in tobacco laws, including stricter regulations on advertising and usage, impacting the casino industry.
- Oil and gas exploration rights: New legislation and exploration activities in the oil and gas sector.

Societal and business risks

- Political and social unrest: Risk of unrest affecting various sectors, including mining and transportation.



- Utilities: Unreliable and costly utilities due to electricity supply constraints and water shortages, coupled with deteriorating infrastructure.
- Commodity price risks: Fluctuations in prices of commodities such as coal, oil and palladium.
- Cyber and information-related risks: Increasing threats related to cybersecurity.
- Climate change: Risks and opportunities associated with climate change.

Internal audit

HCI has a majority shareholding in GRIPP Advisory Proprietary Limited (GRIPP), a company in the business of providing internal audit services. The internal audit function is outsourced to GRIPP who is responsible for providing internal audit services to the Group on an arm's length basis. Internal audit procedures are performed in line with approved audit plans that are tailored for each entity using a combined assurance approach. The internal audit function reports to the chairperson of the committee, thereby ensuring its independence and, where appropriate for listed entities, reports to each of the listed entities' audit and risk committees separately.

The committee is satisfied that the internal audit function operated effectively during the year under review, and their work was predominantly adequate and fit for purpose.

Information technology (IT) governance

The IT environment of subsidiary companies is reported on to the committee on a regular basis. The HCI executive committee assumes responsibility for IT governance at head office level and reports on the level of preparedness are submitted to the committee for review. IT has limited scope at a Group level and the Company has therefore substantially outsourced its IT functions to a credible service provider via a service level agreement.

To ensure continuous improvements of cybersecurity at HCI and limit the possibility of cyberthreats, internal audit carries out six-monthly vulnerability tests on the Company's IT infrastructure.

Compliance

This committee has oversight responsibility in respect of compliance by HCI of laws and regulations.

The social and ethics committee has oversight of the Group's health and safety compliance.

Fraud and whistleblowing

The committee has oversight of the Company's whistleblowing programme. No instances of fraud requiring action at a Group

level were raised or identified during the year under review. The committee is satisfied that the Company has made adequate and appropriate provision for whistleblowing.

Corporate governance

HCI is committed to the highest standards of business integrity, ethics and professionalism. The King IV Report on Corporate Governance™ (King IV) for South Africa 2016, copyright and trademarks are owned by the Institute of Directors in Southern Africa non-profit company and all of its rights are reserved, and became effective for years starting on or after 1 April 2017. King IV, which is applied on an apply-and-explain basis, advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of the following governance outcomes:

- ethical culture;
- good performance;
- effective control; and
- legitimacy.

HCI has reviewed the practices underpinning the principles promoted in King IV. Many of these principles are entrenched in the Group's internal controls, policies and procedures governing corporate conduct. The committee is satisfied that HCI, in all material aspects, complies with the major recommendations of the King IV code to ensure that sound corporate governance and structures are applied within the Group.

For the detailed King IV application register please visit the Company website: www.hci.co.za.

Financial director and finance function

The Company employs a full-time financial director who is also an executive director of the Company. Mr JR Nicolella holds a CA(SA) qualification and has extensive executive experience. During the period under review, the committee considered the expertise and experience of the financial director and is satisfied that, in terms of section 3.84(g) of the JSE Listings Requirements, Mr Nicolella has the appropriate skills, expertise and experience to meet the responsibilities of the position. Mr Nicolella resigned from his position as financial director and executive director of the HCI board on 29 May 2025 and was succeeded by Mr AF Pereira. Mr Pereira will be assessed by the committee during the next financial year. The committee has also, in terms of King IV, assessed the expertise of the finance function and the committee is satisfied that the finance team has the required and adequate skills to perform their duties.

REPORT OF THE AUDIT AND RISK COMMITTEE

(continued)

Financial statements and going concern

The committee has:

- reviewed the separate and consolidated financial statements of the Company for the year ended 31 March 2025 and is satisfied that they comply with IFRS® Accounting Standards and the requirements of the Act, that the accounting policies used are appropriate and that all procedures operated effectively in terms of the JSE Listings Requirements;
- reviewed the legal matters that could have a significant impact on the Group's financial statements;
- reviewed a documented assessment by management of the going concern premise of the Company and has concluded that the HCI Group is a going concern and that the consolidated annual financial statements have been prepared in accordance with the going concern concept. The board has accepted the recommendation of the committee that the Company is operating as a going concern and has reported that status in the 2025 annual financial statements;
- considered the JSE's most recent report on the proactive monitoring of financial statements and, where necessary, those of previous periods. The committee has taken appropriate action to respond to the findings as highlighted in the JSE's report with regards to the annual financial statements for the year ended 31 March 2025;
- reviewed the establishment of appropriate financial reporting procedures;
- reviewed the areas of focus in the financial statements. The committee is of the view that where significant judgements are involved in the preparation of the financial statements that could have a material impact on those financial statements, the financial director, management and the committee have exercised appropriate care and skill in making those judgements;
- reviewed the key audit matters identified by the external auditor and is satisfied that they have been adequately addressed:

The following Group key audit matters have been detailed in the audit opinion:

- Impact Oil & Gas Limited business combination and related goodwill assessment;
- casino licences impairment assessment;
- goodwill impairment assessment of the gaming CGU; and
- fair value of investment properties.

The following Company key audit matter has been detailed in the audit opinion:

- investment in subsidiary companies: Restructure and impairment assessment.
- confidence that the internal control system and governance structures that have been put in place, have operated effectively during the year.

Sustainability reporting

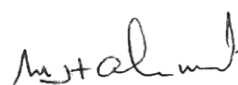
The committee considered the Company's sustainability information and has assessed its consistency with operational and other information known to committee members. The committee is satisfied that the sustainability information is reliable and consistent with the financial results.

Other matters

- the committee receives and deals with complaints and concerns from within and outside the Company relating to all matters within its terms of reference. No complaints were received during the current or prior year;
- the committee has the right to obtain independent external professional advice to assist with the execution of its duties, at the Company's expense;
- the committee has decision-making authority regarding its statutory duties and is accountable in this regard to both the board and the shareholders. On all responsibilities delegated to it by the board, other than its statutory duties, the committee makes recommendations for approval by the board; and
- the chairperson of the committee attends AGMs and is available to answer any questions in relation to matters pertaining to the responsibilities of the committee.

Recommendation of the annual financial statements

The committee has reviewed the annual financial statements of Hosken Consolidated Investments Limited and the Group for the year ended 31 March 2025 and, based on the information provided to the committee, the committee recommends the adoption of the annual financial statements by the board.



MH Ahmed
Chairperson: Audit and Risk Committee

28 July 2025



REPORT OF THE INDEPENDENT AUDITOR

TO THE SHAREHOLDERS OF HOSKEN CONSOLIDATED INVESTMENTS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated and separate financial statements of Hosken Consolidated Investments Limited and its subsidiaries (the Group and Company) set out on pages 23 to 133, which comprise the consolidated and separate statements of financial position as at 31 March 2025, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Hosken Consolidated Investments Limited and its subsidiaries as at 31 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for opinion

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final materiality

Consolidated financial statements

Materiality	R532 000 000
Basis for determining materiality	We have used 0.8% of total assets as the basis for materiality.
Rationale for the benchmark applied	We have determined that total assets is an appropriate quantitative indicator of materiality as total assets best reflects the nature of the Group. The Group is investment holding and the results of the Group are driven by the value of assets held. We have also considered misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons.

Separate financial statements

Materiality	R360 970 000
Basis for determining materiality	We have used 1.5% of total assets as the basis for materiality.
Rationale for the benchmark applied	We have determined that total assets is an appropriate quantitative indicator of materiality as total assets best reflects the nature of the Company. The Company is investment holding and the results of the Company are driven by the value of assets held. We have also considered misstatements and/or possible misstatements that in our opinion are material for the users of the separate financial statements for qualitative reasons.



REPORT OF THE INDEPENDENT AUDITOR

(continued)

Group audit scope

The Group audit scope was determined based on indicators such as the contribution from each component to the financial results as well as the risk of material misstatement related to each component.

A combination of full-scope audits, audits of specific classes of transactions, account balances or disclosures, and Group-instructed engagement procedures were performed.

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Our approach to component scoping was as follows:

The Group's key components were determined based on their size or risk characteristics. We instructed the component auditors of seven components, namely Deneb Investments Limited, Frontier Transport Holdings Limited, HCI Resources Proprietary Limited, Impact Oil & Gas Limited, Southern Sun Limited, Tsogo Sun Limited and eMedia Holdings Limited, to perform full-scope audits. For Impact Oil & Gas Limited, the component auditors were further instructed to perform audit procedures on specific balances and transactions, relating to the business acquisition and the differing year-end and reporting periods.

For other components, where the size of significant account balances or risk characteristics were identified, our approach was as follows:

- Africa Energy Corp: Component auditors were instructed to perform specific scope audit procedures as at the reporting period date.
- La Concorde Holdings Limited and Gallagher Estate Holdings Proprietary Limited groups: The unlisted

entities within these groups were subjected to audits of specific classes of transactions, account balances and disclosures due to their potential impact on significant accounts to the consolidated financial statements. These procedures were undertaken by the respective component engagement teams.

- Hosken Consolidated Investments Limited: The unlisted head office and property subsidiary entities were subjected to audits of specific classes of transactions, account balances and disclosures, due to their potential impact on significant accounts to the consolidated financial statements. These procedures were undertaken by the Group engagement team.

Detailed audit instructions were sent to all component auditors, covering areas of significance to the Group and requesting specific information to be reported to the Group engagement team. The level of involvement with the component audits were determined based on our risk assessment. As part of our role as the Group engagement team, we reviewed key working papers prepared by the component teams and their conclusions thereon. We communicated regularly with the component auditors during various stages of the audit.

Key audit matters

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

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.



MATTER #01

Description of the key audit matter

Impact Oil & Gas Limited business combination and related goodwill assessment (Note 3 and Note 43 to the consolidated financial statements)

During the current year the Group, through its subsidiary Deepkloof Limited, acquired a controlling interest in Impact Oil & Gas Limited (IOG) for R454 million. As at reporting date, the Group holds 51.36% of the total issued shares through Deepkloof Limited. In the prior year IOG was accounted for as an associate in terms of IAS 28 *Investments in Associates and Joint Ventures*.

The acquisition was accounted for in accordance with IFRS 3 *Business Combinations* and included significant estimates and judgements by management in the determination of the value of intangible assets acquired as part of the business combination, as well as the annual impairment assessment related to the goodwill recognised in the business combination.

Based on management's assessment at acquisition date, the fair value of net assets acquired by the Group was determined to be R11 800 million. Management concluded that goodwill of R1 874 million should be recognised on the business combination and that no impairment of this goodwill amount was required at year-end, in accordance with IAS 36 *Impairment of Assets*. The key assumptions and unobservable inputs are disclosed in Note 3 to the consolidated financial statements.

The assessment of the fair value of the business acquired, including the valuation of its underlying assets and liabilities, is considered to be a matter of most significance to the current-year audit of the consolidated financial statements, due to:

- the significant judgements used in determining the fair value of assets acquired;
- the significant judgements used in determining the key assumptions used in the goodwill impairment assessment;
- the complex accounting treatment of the transaction; and
- the magnitude of the carrying value of the IOG investment as at acquisition date and at financial year-end 31 March 2025.

How we addressed the key audit matter

- We verified the change in the Group's investment in IOG during the current year by inspecting signed purchase agreements between Deepkloof Limited and the parties of the transaction to confirm the share movements.
- We assessed whether the acquisition of the additional shares by Deepkloof Limited resulted in a change in control in terms of IFRS 10 *Consolidated Financial Statements* and IFRS 3 *Business Combinations*, and we confirmed the effective shareholding of Deepkloof Limited before and after the completion of the business combination through inspection of the share certificates.
- We confirmed the consideration paid for the acquisition through inspection of bank statements and relevant Reserve Bank approvals.
- We assessed management's business combination calculations, judgements and assumptions through the use of internal valuation specialists. Procedures included the assessment of the purchase price allocation (PPA) of the business combination transaction by reviewing the assumptions made by management for relevance and reasonability which supported the fair value of assets and liabilities acquired, and recalculating and agreeing the relevant asset and liability fair values included in the client's PPA to the underlying values per the results of the component.
- We assessed the adequacy of the disclosures in Note 43 for the acquisition in terms of the disclosure requirements as per IAS 36 and IFRS 3.

Based on our procedures performed, we determined the business combination to be appropriately accounted for and the valuation assumptions to be within an acceptable range as calculated by our experts.



REPORT OF THE INDEPENDENT AUDITOR

(continued)

MATTER #02

Description of the key audit matter

Casino licences impairment assessment (included as part of Note 5 to the consolidated financial statements)

The Group has casino licences with a carrying value of R7 176 million as at 31 March 2025.

Intangible assets with indefinite useful lives are required to be tested annually for impairment in accordance with IAS 36 *Impairment of Assets* and the Group's accounting policy (Note 1(g)).

The recoverable amount of individual casino licences was determined by management with reference to their value in use as part of the cash-generating units (CGUs) to which it relates. The value in use of individual CGUs was calculated using discounted cash flow (DCF) projections.

Significant estimates and judgements were applied by management in performing these calculations to determine whether any impairment or reversal of impairment was required. The key assumptions and unobservable inputs are disclosed in Note 5 to the consolidated financial statements. Management concluded, based on their assessment, that seven licences required an impairment amounting to R1 583 million. The impairment was attributed to the projected cash flows being less than anticipated in the previous year.

The impairment assessment of the casino licences is considered to be a matter of most significance to the current-year audit of the consolidated financial statements, due to:

- the significant judgements and estimates made by management in determining the key assumptions used in the value-in-use calculation, i.e. the DCF growth rates, pre-tax discount rates and long-term growth rate; and
- the magnitude of the carrying values of the casino licences as at 31 March 2025.

How we addressed the key audit matter

- We evaluated management's current-year calculations for consistency with the prior-year methodology and noted no exceptions.
- With the assistance of our internal valuation specialists, we obtained the value-in-use calculations from management per CGU and performed the following procedures:
 - assessed whether the methodology applied by management to calculate the value in use of the casino licences is consistent with industry best practice and the requirements of IAS 36;
 - recalculated the carrying value of each CGU to ensure mathematical accuracy;
 - assessed the appropriateness and reasonability of assumptions made in the projected cash flow forecasts by comparing the current-year actual results for certain metrics to the 2025 financial year figures included in the prior-year cash flow forecast, considering whether the cash flow forecasts in the past had been reasonable; and
 - assessed the reasonability of the discount rates used by management by recalculating the discount rates, considering relevant available market data. The recalculated discount rate was compared to the discount rate used by management and the DCF calculation was recalculated and compared to management's DCF calculation. The use of our independently recalculated discount rates and DCF calculations were within range of management's DCF calculations (valuations) performed. The recalculated discount rate included the cost of debt and equity (which included assessing the risk-free rates in the market, market risk premiums and the beta of comparable companies) and the relevant weighting thereof.
- We assessed the adequacy of the disclosures in Note 5 to the consolidated financial statements against the requirements of IAS 36.

Based on our procedures performed, we considered management's casino licences impairment assessment acceptable and adequately disclosed in Note 5 to the consolidated financial statements.



MATTER #03

Description of the key audit matter

*Goodwill impairment assessment of the gaming CGU
(Note 3 to the consolidated financial statements)*

The Group has goodwill with a carrying value of R5 738 million as at 31 March 2025 of which R3 728 million relates to the gaming CGU.

Goodwill is required to be tested annually for impairment in accordance with IAS 36 *Impairment of Assets* and the Group's accounting policy (Note 1(c)(iii)).

The recoverable amount of the CGU related to gaming was determined by management with reference to the highest of its fair value less costs of disposal and its value in use, which was calculated using DCF projections. Significant estimates and judgements were applied by management in performing these calculations to determine whether any impairment was required. The key assumptions and unobservable inputs are disclosed in Note 3 to the consolidated financial statements.

Management concluded, based on its assessment, that no impairment of the goodwill allocated to the gaming CGU was required.

The impairment assessment of the goodwill related to gaming is considered to be a matter of most significance to the current-year audit of the consolidated financial statements, due to:

- the significant judgements and estimates made by management in determining the key assumptions used in the value-in-use calculation, i.e. income and expense projections, the DCF growth rates, pre-tax discount rates and long-term growth rate; and
- the magnitude of the carrying value of the goodwill related to the gaming CGU as at 31 March 2025.

How we addressed the key audit matter

- We evaluated management's current-year calculations for consistency with the prior-year methodology and noted no exceptions.
- With the assistance of our internal valuation specialists, we obtained the value-in-use calculations from management for the gaming CGU and performed the following procedures:
 - assessed whether the methodology applied by management to calculate the value in use of the goodwill related to gaming is consistent with industry best practice and the requirements of IAS 36;
 - recalculated the carrying value of the gaming CGU to ensure mathematical accuracy;
 - assessed the appropriateness and reasonability of assumptions made in the projected cash flow forecasts relevant to gaming, by comparing the current-year actual results for certain metrics to the 2025 financial year figures included in the prior-year cash flow forecast, to determine whether the cash flow forecasts in the past had been reasonable; and
 - assessed the reasonability of the discount rates used by management by recalculating the discount rates, using available market data relevant to discount rates. The recalculated discount rates were compared to the discount rates used by management and the DCF calculations were recalculated and compared to management's DCF calculations. The use of our independently calculated discount rates and the resulting recalculated cash flow calculations were within range of management's valuations performed. The recalculated discount rates took into account the cost of debt and equity (which included assessing the risk-free rates in the market, market risk premiums and the beta of comparable companies) and the relevant weighting thereof.
- We assessed the adequacy of the disclosures in Note 3 to the consolidated financial statements against the requirements of IAS 36.

Based on our procedures performed, we considered management's impairment of goodwill assessment, in relation to its gaming CGU, acceptable and adequately disclosed in Note 3 to the consolidated financial statements.



REPORT OF THE INDEPENDENT AUDITOR

(continued)

MATTER #04

Description of the key audit matter

Fair value of investment property (Note 2 to the consolidated financial statements)

The Group owns a portfolio of investment properties with a carrying value of R5 559 million as at 31 March 2025.

IAS 40 *Investment Property* and the Group's accounting policy (Note 1(f)) requires investment properties to be carried at fair value. The fair value of investment properties is calculated in accordance with the requirements of IFRS 13 *Fair Value Measurement*.

The valuations of the portfolio of investment properties are performed annually, either by external property valuers or internally by management. The majority of the valuations are performed using either the DCF method or the income capitalisation method.

The Group recognised a total fair value gain amounting to R310 million relating to fair value adjustments on investment properties in the statements of profit or loss for the year ended 31 March 2025.

The valuation of the portfolio of investment properties is considered to be a matter of most significance to the current-year audit of the consolidated financial statements, due to:

- the significant judgements and estimates made in determining the key assumptions used in the calculations of the fair value of the investment properties, i.e. income and expense growth rates, vacancy rates, terminal capitalisation rates and discount rates for properties valued using the DCF method or the income capitalisation method; and bulk rates and selling prices per square metre (sqm) for properties valued using the comparable sales method; and
- the magnitude of the carrying values of the investment properties as at 31 March 2025.

How we addressed the key audit matter

- We evaluated management's current-year calculations for consistency with the prior-year methodology and noted no exceptions.
- We obtained the valuation reports from management and agreed the fair values of investment properties to the valuation reports from the external property valuer(s) and internal valuations, as applicable.
- For the properties where external valuations were performed, we assessed the external valuers' objectivity, independence and expertise by confirmation of their affiliation with the relevant professional body.
- For the properties where management valuations were performed, we assessed management's expertise with reference to their qualifications and industry experience.
- We assessed whether the valuation techniques and methodologies applied by management and their external valuers are consistent with generally accepted property valuation techniques and the requirements of IFRS 13.
- For a sample of investment properties, we assessed the appropriateness and reasonability of the assumptions applied by management or the external valuer(s) in determining the fair value of investment properties by:
 - assessing the accuracy of the category, location and grade of the property by comparing it to the relevant evidence provided by management;
 - assessing the reasonability of both income and expense growth rates by comparing it to relevant internal data and external market information;
 - comparing projected cash flows used in the valuations to management's approved budgets, including the projected cash flows for reasonability; and
 - assessing the reasonability of vacancy rates, terminal capitalisation rates and discount rates by comparing the rates applied by management to the external market information relating to rates.
- We assessed the adequacy of the disclosures in Note 2 to the consolidated financial statements against the requirements of IAS 40 and IFRS 13.

Based on our procedures performed, we obtained sufficient and appropriate evidence to support our conclusion that the Group's determination of the fair value of investment properties is reasonable and in accordance with IAS 40 and IFRS 13.



MATTER #05

Description of the key audit matter

Investment in subsidiary companies: Restructure and impairment assessment (Note 8 to the separate financial statements)

At 31 March 2025 the carrying value of investments in subsidiaries amounted to R21 111 million, which is included in the "Investments in and amounts owing from subsidiary companies" balance in the separate statement of financial position.

During the current year, the Company concluded a central debt refinancing agreement with its central debt providers. As part of this debt restructure the Company disposed of its interests in a number of subsidiaries (including all listed subsidiaries) to TIH Prefco (RF) Proprietary Limited (TIH Prefco), a wholly-owned subsidiary of the Company.

This disposal was done by way of loan account or for additional shares in TIH Prefco. Gains totalling R2 903 million were recognised by the Company in respect of the disposals.

Furthermore, investments in subsidiaries are required to be tested for impairment if there is objective evidence that the investment is impaired in accordance with IAS 36 *Impairment of Assets* and the Company's accounting policies (Note 2(vi)(i)).

The above is considered to be a matter of most significance to the current-year audit of the separate financial statements due to:

- the complexity of accounting for the outcome of the debt restructure;
- the magnitude of the impact of the disposal on the carrying value of the investments in subsidiaries to the separate financial statements as at 31 March 2025; and
- the valuation assessment of significant judgements and estimates made by management in determining the key assumptions used in the value in-use calculations, i.e. income and expense projections, the DCF growth rates, pre-tax discount rates and long term growth rates, and the recoverable amount calculation, i.e. the weighted average listed share price.

How we addressed the key audit matter

- We obtained the restructure contractual agreements and agreed the arrangements with the accounting transactions processed.
- We assessed whether the restructure transactions were aligned with the applicable IFRS standards.
- We assessed whether the restructure transactions resulted in a change in ownership and confirmed the effective shareholding of the Company before and after the completion of the restructure assessment by inspecting the share certificates and the restructure contractual agreements.
- We obtained the value-in-use calculations from management for the impairment assessment of the investments and performed the following procedures:
 - assessed whether the methodology applied by management to calculate the value-in-use of the subsidiaries is consistent with industry best practice and that it complies with the requirements of IAS 36;
 - recalculated the carrying value of the investments in subsidiaries to ensure mathematical accuracy;
 - assessed the appropriateness and reasonability of the valuation models (DCF model or volume weighted share price model) used by management for the different subsidiaries in assessing for impairment indicators:
 - where the DCF model was used, we:
 - assessed the appropriateness and reasonability of assumptions made in the projected cash flow forecasts of the subsidiaries by comparing the current-year actual results for certain metrics to the 2025 financial year figures included in the prior-year cash flow forecasts to consider whether the cash flow forecasts in the past had been reasonable;
 - assessed the reasonability of the discount rates used by management by recalculating the discount rates, considering relevant and available market data. The recalculated discount rates were compared to the discount rates used by management and the DCF calculations were recalculated and compared to management's DCF calculations. The use of our independently calculated discount rates in management's assessment was within range of management's valuation performed. The discount rates recalculated took into account the cost of debt and equity (which included assessing the risk-free rates in the market, market risk premiums and the beta of comparable companies) and the relevant weighting thereof; and
 - performed independent sensitivity analyses on the value-in-use calculations to assess the reasonability of the valuations performed by management.
 - where the volume weighted share price model was used:
 - we obtained the volume weighted share prices of the subsidiaries held from independent and external sources which has been verified to be credible and recalculated both the recoverable amount and impairment reversal for mathematical accuracy and reasonability.
- We assessed the adequacy of the disclosures in Note 8 to the separate financial statements against the requirements of IAS 36.

Based on our procedures performed, we determined management's restructure and impairment considerations relating to its investment in subsidiary companies reasonable and in accordance the applicable accounting standards.

REPORT OF THE INDEPENDENT AUDITOR

(continued)

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Hosken Consolidated Investments Limited Annual Financial Statements for the year ended 31 March 2025", which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due

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

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

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



- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of Hosken Consolidated Investments Limited for two years.



Forvis Mazars

Registered Auditors

Partner: Yolandie Ferreira

Registered Auditor

31 July 2025

Rialto Road
Grand Moorings Precinct
Century City
7441



DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

1. Nature of business

Hosken Consolidated Investments Limited (HCI) is an investment holding company, incorporated in South Africa and listed on the JSE Limited.

2. Operations and business

The business operations of HCI include investing in opportunities as identified by the board of directors and the adding of value to these investments over time. As such, HCI has itself consciously established and pursued an investment policy in terms of which it has endeavoured to maintain significant equity and capital participation in entrepreneurially run companies with significant growth potential. The investments are constantly reviewed and new ones sought to complement them.

Refer to pages 16 to 41 of the integrated annual report for an overview of operations for the year under review.

3. Changes to the Group's shareholding in subsidiaries

Details of changes to the Group's shareholding in subsidiaries are set out in note 8 of this report.

4. Disposal group assets and liabilities held for sale

Details of disposal group assets and liabilities held for sale are set out in note 14 of this report.

5. Share capital

Details of the authorised and issued share capital are set out in note 15 of this report.

6. Directorate

Details of the directors of the Company appear in the Corporate administration section of this report.

Ms SNN Mkhwanazi and Mr JR Nicolella resigned from the board of directors on 14 April 2025 and 29 May 2025, respectively. Mr AF Pereira and Ms A Singh were appointed to the board of directors on 29 May 2025.

7. Composition of the board

The board has assumed responsibility, in line with the board charter, for the composition of the board by ensuring diversity, gender parity, skills, knowledge and resources to effectively discharge its governance role and responsibilities and carry out all its duties.

At 31 March 2025 the board comprised eleven members which included four executive directors, one non-executive director and six independent non-executive directors. There is a clear balance of power and authority at the board of directors' level.

The board is chaired by Mr VE Mphande, an independent non-executive director, who is not a former CEO of the Company. There is a clear division of responsibilities between the chairperson and chief executive officer. The board does not deem it necessary to appoint a lead independent director.

Board member	Number of board meetings	Attendance of member
MH Ahmed	4	4
JA Copelyn	4	4
TG Govender	4	4
MF Magugu	4	4
L McDonald	4	3
SNN Mkhwanazi	4	4
VE Mphande (chair)	4	4
JG Ngcobo	4	4
JR Nicolella	4	4
Y Shaik	4	4
RD Watson	4	4

8. Dividends

Ordinary dividend number 63 in the amount of R0.50 (fifty cents) per share was declared on 28 November 2024 and paid out to shareholders on 23 December 2024. Ordinary dividend number 64 in the amount of R1.20 (one rand and twenty cents) per share, was declared on 29 May 2025 and paid to shareholders on 23 June 2025.

9. Gender diversity

The board of directors has adopted a policy on gender diversity at board level and agreed on voluntary targets. The board has reached its gender target of 25% women.

10. Race diversity

The board of directors has adopted a policy on race diversity at board level. The voluntary target was set at a majority of members being people classified as "black". 82% of the members of the board are classified as "black".

11. Company secretary

HCI Managerial Services Proprietary Limited held the office of the company secretary for the 12 months ended 31 March 2025. The secretarial department is under the supervision of Cheryl Philip (FCIS) who is empowered, and authorised, to provide corporate governance services to the board and management. The board has evaluated the performance and independence of the company



secretary during the year under review and it is satisfied that the company secretary is competent and has the appropriate qualifications and experience required by the Group to administer the secretarial obligations of the Company. The secretary has an arm's length relationship with the board of directors.

The name, business and postal address of the company secretary are set out in the Corporate administration section of this report.

12. Financial director

Mr JR Nicoella was the full-time executive financial director of the Company for the year under review. Mr Nicoella resigned on 29 May 2025 and was succeeded by Mr AF Pereira as executive financial director of the Company.

13. Auditor

Subject to shareholder approval, Forvis Mazars will continue in office as the Company's external auditor for the 2026 financial year in accordance with section 90 of the South African Companies Act, with Yolandie Ferreira as the designated auditor.

14. Auditor's report

The consolidated and separate financial statements have been audited by Forvis Mazars and their unqualified audit report on the consolidated and separate financial statements is included on pages 11 to 19 of this report.

15. Significant shareholders

The Company's shareholders that own 5% or more of the issued shares are the Southern African Clothing and Textile Workers Union, Cheersley Investments Proprietary Limited, Squirewood Investments 64 Proprietary Limited and Rivetprops 47 Proprietary Limited who own 22.5%, 7.7%, 5.2% and 5.0%, respectively. No shareholder has a controlling interest in the Company.

16. Special resolutions

The following special resolutions were passed by the Company's shareholders at the annual general meeting (AGM) of shareholders held on 29 August 2024:

- granting the directors the authority, subject to the provisions of the Companies Act, Act 71 of 2008, as amended (the Act) and the JSE Listings Requirements, to allot and issue ordinary shares of the Company (or to issue options or securities convertible into ordinary shares) for cash to such person or persons, on such terms and conditions as they may deem fit. The aggregate number of ordinary shares to

be allotted and issued for cash is limited as set out in the resolution;

- approval of the fees payable to non-executive directors for their services as directors or as members of the board sub-committees in respect of the financial period 1 September 2024 until the next AGM of the Company;
- granting the Company and the subsidiaries of the Company a general authority contemplated in terms of paragraph 5.72 of the JSE Listings Requirements, for the acquisition by the Company, or a subsidiary of the Company, of ordinary shares issued by the Company; and
- general authorisation of financial assistance to the extent required by sections 44 and 45 of the Act, the board of directors of the Company may, subject to compliance with the requirements of the Company's memorandum of incorporation (MOI) and the Act, authorise the Company to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise, subject to the provisions as set out in the resolution.

17. Special resolutions of subsidiaries

The statutory information relating to special resolutions passed by subsidiaries is available from the registered office of the Company.

18. Shareholding of directors

The shareholding of directors of the Company and their participation in the share incentive scheme of the Company as at 31 March 2025 are set out in notes 38 and 37 of this report, respectively.

19. Directors' emoluments

Directors' emoluments incurred by the Company and its subsidiaries for the year ended 31 March 2025 are set out in note 39 of this report.

20. Subsidiaries

Details of the Company's subsidiaries are set out in annexure A of this report.

21. Borrowing powers

There are no limits placed on borrowing in terms of the MOI. Certain companies in the Group have entered into various loan agreements with providers of loan finance. These loan agreements include various covenants and undertakings by companies in the Group which may restrict the Group's borrowing powers. Details of these covenants and undertakings are set out in note 17 of this report.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

22. Litigation statement

The directors are not aware of any legal or arbitration proceedings (including proceedings which are pending or threatened) that may have a material impact on the financial position of the Group for the 12 months after 31 March 2025.

23. Material changes

There has been no material change in the financial or trading position of the HCI Group since the publication of its condensed annual financial statements on 29 May 2025.

24. Events subsequent to reporting date

Events that occurred subsequent to the reporting date are set out in note 45 of this report.

25. Going concern

The directors have assessed the cash flow forecasts and borrowing profiles of all entities within the Group and are of the view that the Group has sufficient liquidity to meet its obligations for the foreseeable future. Details of the going concern assessment are set out in accounting policy 2(i).

26. Preparer

These annual financial statements were prepared under the supervision of the financial director, Mr AF Pereira, CA(SA).



VE Mphande
Chairperson

Cape Town
28 July 2025



JA Copelyn
Chief Executive Officer



STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2025

	Notes	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS					
Non-current assets		56 253 022	44 824 354	23 772 155	18 988 856
Property, plant and equipment	1	16 444 465	16 376 146	–	–
Right-of-use assets	24	220 510	372 657	–	–
Investment properties	2	5 559 873	5 204 210	–	–
Goodwill	3	5 738 002	3 824 589	–	–
Intangible assets – minerals*	4	12 710 558	39 959	–	–
Intangible assets – other	5	7 505 941	9 121 540	–	–
Investments in associates and joint ventures	6	5 707 820	7 932 140	–	566 986
Other financial assets	7	2 087 793	1 662 181	–	–
Investments in and amounts owing from subsidiary companies	8	–	–	23 761 123	18 410 838
Deferred taxation	9	224 866	235 286	–	–
Finance lease receivables		4 587	4 873	–	–
Non-current receivables	10	48 607	50 773	11 032	11 032
Current assets		7 889 715	6 243 672	24 756	38 486
Inventories	11	956 353	870 980	–	–
Programme rights	12	1 395 131	1 364 880	–	–
Other financial assets	7	179 233	104 237	–	–
Trade and other receivables	13	2 149 584	2 157 874	23 865	27 185
Taxation		40 105	33 396	–	–
Cash and cash equivalents	36.9	3 169 309	1 712 305	891	11 301
Non-current and disposal group assets held for sale	14	126 800	152 642	–	–
Total assets		64 269 537	51 220 668	23 796 911	19 027 342
EQUITY AND LIABILITIES					
Capital and reserves		38 765 667	28 193 640	23 390 647	17 858 187
Equity attributable to equity holders of the parent		24 419 685	19 007 454	23 390 647	17 858 187
Ordinary share capital	15	20 135	20 218	21 522	21 405
Share premium	15	–	–	102 430	17 158
Other reserves	16	73 152	1 257 299	–	–
Accumulated profits		24 326 398	17 729 937	23 266 695	17 819 624
Non-controlling interest	8	14 345 982	9 186 186	–	–
Non-current liabilities		19 843 416	17 389 343	–	–
Borrowings	17	11 275 150	11 925 641	–	–
Lease liabilities	24	263 981	429 464	–	–
Post-retirement benefit liabilities	18	136 335	130 026	–	–
Long-term incentive plan	19	12 744	22 585	–	–
Long-term provisions	20	84 505	82 397	–	–
Deferred revenue and income	21	99 591	91 054	–	–
Deferred taxation	9	7 971 110	4 708 176	–	–
Current liabilities		5 660 454	5 635 920	406 264	1 169 155
Trade and other payables	22	2 792 201	2 667 238	12 775	2 849
Deferred revenue and income	21	78 372	79 037	–	–
Amounts owing to subsidiary companies	8	–	–	337 752	1 111 365
Borrowings	17	2 390 781	2 428 551	54 897	54 897
Taxation		29 346	32 985	742	44
Provisions	20	242 904	229 300	–	–
Current portion of long-term incentive plan	19	32 774	91 666	–	–
Bank overdrafts	23	94 076	107 143	98	–
Disposal group liabilities held for sale	14	–	1 765	–	–
Total equity and liabilities		64 269 537	51 220 668	23 796 911	19 027 342

* Previously intangible assets – mining.



STATEMENTS OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
Revenue	26	13 427 268	13 306 005	1 940 880	1 211 488
Net gaming win		9 245 388	9 672 551	–	–
Property rental income		764 124	754 670	–	–
Income		23 436 780	23 733 226	1 940 880	1 211 488
Other operating expenses and income		(18 195 260)	(17 686 268)	(13 150)	(16 304)
EBITDA*		5 241 520	6 046 958	1 927 730	1 195 184
Depreciation and amortisation		(1 133 606)	(1 218 507)	–	–
Investment income	27	288 099	258 649	5 405	7 920
Equity-accounted earnings/(losses) of associates and joint ventures	6	77 439	(171 751)	–	–
Investment surplus	28	789 280	490 228	4 027 215	94 451
Fair value adjustment on associate on gaining control	6	4 547 307	–	–	–
Fair value adjustments on investment properties	2, 14.1	310 641	38 044	–	–
Impairment reversals	29	706 362	–	69 650	465 764
Asset impairments	30	(1 839 315)	(2 811 522)	–	–
Fair value adjustments on financial instruments	7	(25 012)	(59 807)	(2 746)	6 483
Impairment of investments	31	(5 951)	(13 181)	(420 991)	(1 367 639)
Finance costs	32	(1 397 258)	(1 425 153)	(27 400)	(4 236)
Profit before taxation		7 559 506	1 133 958	5 578 863	397 927
Taxation	34	(537 345)	(388 270)	(3 347)	(14 558)
Profit for the year		7 022 161	745 688	5 575 516	383 369
Attributable to:					
Equity holders of the parent		6 724 053	651 898		
Non-controlling interest	8	298 108	93 790		
		7 022 161	745 688		
Earnings per share (cents)					
Basic	35.1	8 313.82	806.11		
Diluted	35.2	8 171.86	789.31		

* EBITDA is relevant to understanding the Group's financial performance and has therefore been included as an additional subtotal for the current and prior year.

STATEMENTS OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2025

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Profit for the year	7 022 161	745 688	5 575 516	383 369
Other comprehensive income net of tax:				
<i>Items that will subsequently be reclassified to profit or loss</i>				
Foreign currency translation differences	(192 493)	294 616	–	–
Foreign currency translation differences reclassified to profit or loss on deemed disposal of equity-accounted investments (refer to notes 6 and 28)	(842 254)	–	–	–
Fair value adjustments on cash flow hedges (refer to note 7)	(14 842)	(78 729)	–	–
Share of other comprehensive (losses)/income of equity-accounted investments (refer to note 6)	(8 986)	26 700	–	–
Equity-accounted hedging reserves reclassified to profit or loss on disposal of interests in associates and joint ventures (refer to note 6)	–	4 116	–	–
Income tax relating to items that will subsequently be reclassified to profit or loss (refer to note 34)	3 814	22 616	–	–
<i>Items that will not subsequently be reclassified to profit or loss</i>				
Actuarial (losses)/gains on post-employment benefit liabilities (refer to note 18.2)	(3 245)	5 148	–	–
Revaluation of owner-occupied land and buildings on transfer to investment properties (refer to note 1)	6 894	4 248	–	–
Fair value adjustments on equity instruments designated at fair value through other comprehensive income (refer to note 7)	(184 474)	(241 210)	–	–
Income tax relating to items that will not subsequently be reclassified to profit or loss (refer to note 34)	(583)	(2 308)	–	–
Total comprehensive income for the year	5 785 992	780 885	5 575 516	383 369
Attributable to:				
Equity holders of the parent	5 585 334	830 684		
Non-controlling interest	200 658	(49 799)		
	5 785 992	780 885		



STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

GROUP	Share capital R'000	Other reserves R'000	Accumulated profits R'000	Non-controlling interest R'000	Total R'000
Balance at 31 March 2023	20 218	1 064 800	17 083 052	9 996 892	28 164 962
Total comprehensive income	–	175 679	655 005	(49 799)	780 885
Profit for the year	–	–	651 898	93 790	745 688
Other comprehensive income for the year (net of tax)	–	175 679	3 107	(143 589)	35 197
Equity-settled share-based payments (refer to note 37)	–	31 231	–	–	31 231
Effects of changes in holding (refer to note 8)	–	(822)	(58 138)	(57 118)	(116 078)
Share of direct equity movements of equity-accounted investments (refer to note 6)	–	(2 358)	28 411	(29 310)	(3 257)
Dividends to non-controlling shareholders of subsidiaries	–	–	–	(701 855)	(701 855)
Extinguishment of borrowings from non-controlling interests (refer to note 17)	–	–	10 376	27 376	37 752
Transfer of revaluation reserves to accumulated profits	–	(9 782)	9 782	–	–
Transfer of share-based payment reserve to accumulated profits	–	(1 449)	1 449	–	–
Balance at 31 March 2024	20 218	1 257 299	17 729 937	9 186 186	28 193 640
Share scheme options exercised and transfer of share-based payment reserve to accumulated profits (refer to note 37)	69	(38 979)	38 910	–	–
Shares repurchased (refer to note 15)	(83)	–	(46 455)	–	(46 538)
Treasury shares donated to subsidiary*	(69)	–	69	–	–
Total comprehensive income	–	(1 136 713)	6 722 047	200 658	5 785 992
Profit for the year	–	–	6 724 053	298 108	7 022 161
Other comprehensive income for the year (net of tax)	–	(1 136 713)	(2 006)	(97 450)	(1 236 169)
Equity-settled share-based payments (refer to note 37)	–	31 442	–	–	31 442
Non-controlling interest recognised on acquisition of subsidiaries (refer to note 43.2)	–	–	–	6 166 550	6 166 550
Effects of changes in holding (refer to note 8)	–	(438)	(14 096)	11 907	(2 627)
Disposal of subsidiaries (refer to note 43.3)	–	–	–	6 625	6 625
Share of direct equity movements of equity-accounted investments (refer to note 6)	–	(39 459)	17 326	(1 828)	(23 961)
Dividends	–	–	(121 340)	(1 224 116)	(1 345 456)
Balance at 31 March 2025	20 135	73 152	24 326 398	14 345 982	38 765 667
Notes	15	16		8	

* The HCI Foundation, a subsidiary of the Group, received a donation of shares in the Company during the year.

COMPANY	Share capital R'000	Share premium R'000	Accumulated profits R'000	Total R'000
Balance at 31 March 2023	21 405	17 158	17 436 255	17 474 818
Profit/total comprehensive income for the year	–	–	383 369	383 369
Balance at 31 March 2024	21 405	17 158	17 819 624	17 858 187
Shares issued to subsidiary company	200	131 727	–	131 927
Shares repurchased	(83)	(46 455)	–	(46 538)
Profit/total comprehensive income for the year	–	–	5 575 516	5 575 516
Dividends (refer to note 36.5)	–	–	(128 445)	(128 445)
Balance at 31 March 2025	21 522	102 430	23 266 695	23 390 647
Note	15	15		



STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
Cash flows from operating activities		1 358 551	2 802 717	410 527	1 142 808
Cash generated by operating activities		4 998 830	5 942 645	569 032	1 161 801
Cash generated by operations	36.1	5 274 972	6 158 269	558 421	1 159 416
Interest income		162 220	149 820	261	659
Changes in working capital	36.2	(438 362)	(365 444)	10 350	1 726
Finance costs	36.3	(1 375 134)	(1 464 445)	(27 400)	(4 236)
Taxation paid	36.4	(924 488)	(975 755)	(2 649)	(14 757)
Dividends paid	36.5	(1 340 657)	(699 728)	(128 456)	–
Cash flows from investing activities		1 132 573	(2 680 692)	(933 535)	(1 137 471)
Business combinations/disposals	36.6	327 756	–	–	–
Investment in:					
– Subsidiary companies	8	–	–	(551 299)	(555)
– Associates and joint ventures	6	(11 661)	(1 322 113)	–	–
– Financial assets	7	(13 910)	(595 651)	–	–
Loans advanced to subsidiary companies		–	–	(382 236)	(1 488 268)
Loans to associates and joint ventures					
– Advanced	6	–	(235)	–	–
– Repaid	6	–	21 132	–	–
Dividends received	6, 27	156 435	68 156	–	–
Short-term loans repaid		523	16	–	–
Long-term receivables					
– Advanced		(484)	–	–	–
– Repaid		–	2 396	–	–
Proceeds on disposal of investments	6, 7	19 186	351 352	–	351 352
Proceeds from insurance claims for capital assets		15 077	13 844	–	–
Government grants received		23 653	13 478	–	–
Intangible assets					
– Additions	36.7	(87 566)	(108 674)	–	–
– Disposals	4	1 748 083	–	–	–
Investment properties					
– Additions	2	(96 547)	(83 091)	–	–
– Disposals		69 319	65 042	–	–
Property, plant and equipment					
– Additions	36.8	(1 092 791)	(1 151 230)	–	–
– Disposals		75 500	44 886	–	–
Cash flows from financing activities		(1 085 952)	(461 801)	512 500	5 635
Ordinary shares repurchased		(38 500)	–	(38 500)	–
Other liabilities raised		–	5 635	–	5 635
Transactions with non-controlling shareholders	8	9 004	(114 953)	–	–
Principal paid on lease liabilities	24	(92 370)	(75 977)	–	–
Borrowings					
– Raised	17, 8	2 330 185	3 212 228	551 000	–
– Repaid	17	(3 294 271)	(3 488 734)	–	–
Cash and cash equivalents					
Movements		1 405 172	(339 776)	(10 508)	10 972
At the beginning of the year		1 605 451	1 944 134	11 301	329
Foreign exchange difference on translation of foreign subsidiaries		64 610	1 093	–	–
At the end of the year	36.9	3 075 233	1 605 451	793	11 301



ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025

1. MATERIAL ACCOUNTING POLICIES

The material accounting policies adopted in the preparation of the separate and consolidated annual financial statements of the Company are set out below. These policies have been consistently applied to all periods presented, except as disclosed in accounting policy note 3.1.

(a) Basis of preparation

The consolidated and separate Company financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), South African Financial Reporting Requirements, the Listings Requirements of the JSE and the requirements of the Companies Act of South Africa. The financial statements have been prepared under the historical cost convention, as modified by the remeasurement to fair value of certain financial instruments and investment properties as described in the accounting policies below.

(b) Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive committee (Exco), consisting of four executive directors, including the chief executive officer (CEO) and financial director (FD). Reportable segments have been identified based on the principal operating activities of entities within the Group.

(c) Basis of consolidation

The consolidated financial statements include the financial information of the subsidiaries, associates and joint arrangements of the Group.

(i) *Subsidiaries*

Subsidiaries are all entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are included in the financial statements from the date control commences until the date control ceases.

The Group applies the acquisition method of accounting to account for business combinations. Identifiable assets acquired and liabilities and contingent liabilities assumed are measured at their fair values at the acquisition date, while acquisition-related costs are expensed as incurred. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity instruments issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. When the Group gains control of an associate or joint venture, the carrying value of the existing investment is remeasured to its fair value, with the

change recognised in the statement of profit or loss. The Group recognises any non-controlling interest in the acquiree at the non-controlling interest's proportionate share of the acquiree's net assets.

The Company records its investments in subsidiaries at cost less any impairment losses. These interests include any intergroup loans receivable, which represent by nature a further investment in the subsidiary. Intergroup loan receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Company determines at each reporting date whether there is any objective evidence that the investment in the subsidiary is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the subsidiary and its carrying value and recognises the amount immediately in profit or loss.

Common control transactions at fair value are accounted for in accordance with the contract and the requirements of the applicable IFRS Accounting Standards. Gains and losses on the disposal of investments in and loans to subsidiaries, joint ventures and associates are recognised as investment surplus in the statement of profit or loss. In an exchange of assets for additional shares in a subsidiary the additional cost of the investment in subsidiary is accounted for at the fair value of the net asset(s) transferred. When the fair value exceeds the carrying value of the net asset(s) transferred, a gain is recognised as investment surplus in the statement of profit or loss. Non-cash dividend distributions from subsidiaries are accounted for at the fair value of the asset(s) received.

Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) *Associates and joint arrangements*

The Group applies the equity method of accounting to account for its investments in associates and joint ventures. Under this method, the investment is initially recognised at cost and the carrying value subsequently adjusted for the recognition of the investor's share of changes in the equity of the investee after the date of acquisition, as well as dividends received. After initial recognition, the Group recognises its share of the investee's profit or loss and other comprehensive income, respectively, in the statement of profit or loss and the statement of other comprehensive income. Other changes in equity recognised by the Group's associates and joint ventures include changes in its share-based payment reserves, transactions with non-controlling shareholders and other direct equity movements. The Group accounts for its share in these changes in equity as a direct equity movement in the statement of changes in equity.



The Group's investments in associates and joint ventures include goodwill (net of any accumulated impairment loss) identified on acquisition. When the Group increases its shareholding in an investee, the cost of the additional investment is added to the carrying value of the investment. The acquired share in the investee's identifiable net assets, as well as goodwill arising, is calculated using fair value information at the date of acquiring the interest. Any excess of the Group's share of the net fair value of the investee's identifiable assets and liabilities over the cost of the investment at date of acquisition, is recognised as a gain in the statement of profit or loss in the period in which the investment is acquired.

Partial disposals of associates and joint ventures are accounted for as dilutions in shareholding. Gains or losses are calculated on the date that the dilution in shareholding occurs and recognised in profit or loss. The Group's proportionate share of equity-accounted gains or losses previously recognised in other comprehensive income is reclassified to profit or loss when a dilution occurs if the gains or losses are required to be reclassified to profit or loss in terms of the applicable accounting standard. Gains or losses on dilutions in shareholding and related reclassifications of other comprehensive income to profit or loss, are included in the investment surplus balance in the statement of profit or loss.

Joint arrangements relating to investment properties are accounted for as joint operations, with the Group's share of its assets, liabilities, revenue and expenses incorporated in the financial statements.

At each reporting date, the Group determines whether there is any objective evidence that its investment in an associate or joint venture is impaired. If this is the case, the impairment is calculated as the difference between the recoverable amount of the investment and its carrying value and recognised immediately in profit or loss.

(iii) Goodwill

Goodwill is stated at cost less impairment losses and is reviewed for impairment at the end of each year. Additional impairment testing is performed during the course of the year when there are indicators that goodwill may be impaired. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. Each of those CGUs is identified in accordance with the basis on which the businesses are managed, both in terms of business type and geographical area. Impairment losses are recognised immediately in profit or loss and are not subsequently reversed.

(d) Foreign exchange

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the

currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in South African Rand which is the Group's presentation and the Company's functional currency.

(ii) Transactions and balances

The financial statements for each Group company have been prepared on the basis that transactions in foreign currencies are recorded in their functional currency at the rate of exchange ruling at the date of the transaction. Monetary items denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date, with the resultant translation differences being recognised in profit or loss. Non-monetary assets and liabilities are measured at historical cost. Translation differences on non-monetary assets, such as equity investments designated at fair value through other comprehensive income, are recognised in other comprehensive income.

(iii) Foreign subsidiaries and associates – translation

Once-off items in the statement of profit or loss and statement of cash flows of foreign subsidiaries and associates expressed in currencies other than the South African Rand are translated to South African Rand at the rates of exchange prevailing on the day of the transaction. All other items are translated at weighted average rates of exchange for the relevant reporting period. Assets and liabilities of these undertakings are translated at closing rates of exchange at each reporting date. All translation exchange differences arising on the retranslation of opening net assets together with differences between items of profit or loss translated at average and closing rates are recognised as a separate component of equity via other comprehensive income. For these purposes net assets include loans between Group companies that form part of the net investment, for which settlement is neither planned nor likely to occur in the foreseeable future and is either denominated in the functional currency of the parent or the foreign entity. When a foreign operation is disposed of, any related exchange differences in equity are recycled to profit or loss as part of the gain or loss on disposal.

Goodwill arising on the acquisition of a foreign entity is treated as an asset of the foreign entity and retranslated at the rate of exchange ruling at each reporting date.

(e) Property, plant and equipment

Property, plant and equipment are stated at cost net of accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the assets. Subsequent costs are included in the asset's carrying value or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the



ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

specific asset will flow to the Group and the cost can be measured reliably. Repairs and maintenance costs are charged to profit or loss during the financial period in which they are incurred.

Assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

The Group's grape vines are bearer plants under the definition of IAS 41 *Agriculture* and are therefore accounted for in accordance with IAS 16 *Property, Plant and Equipment*.

Depreciation

No depreciation is provided on freehold land or assets in the course of construction. In respect of all other property, plant and equipment, depreciation is provided on a straight-line basis at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life.

(f) Investment properties

Investment properties are stated at fair value representing estimated market value. Changes in fair value are recognised in profit or loss in the period in which they arise.

If an owner-occupied property becomes an investment property, it is revalued to fair value through other comprehensive income before being reclassified to investment property. The fair value represents its cost at the date of reclassification for subsequent accounting purposes.

(g) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Cost is usually determined as the amount paid by the Group, unless the asset has been acquired as part of a business combination.

Intangible assets with indefinite lives are not amortised but are subject to annual reviews for impairment.

Intangible assets with finite lives are amortised on a straight-line basis over their estimated useful lives and only tested for impairment where there is an impairment indicator. The directors' assessment of the useful life of an intangible asset is based on the nature of the asset acquired, the durability of the products the asset is associated with and the expected future impact of competition on the business.

Intangible assets acquired as part of a business combination are recognised separately when they are identifiable and it is probable that economic benefits will flow to the Group.

(i) Computer software

Where computer software is not an integral part of a related item of property, plant and equipment, the software is capitalised as an intangible asset and amortised over its estimated useful life. Costs associated with maintaining computer software programs are expensed as incurred.

(ii) Casino licences and bid costs

Costs incurred during the bidding process for a casino licence are capitalised to casino licences and bid costs by the individual casino on the successful award of the casino licence as these costs are directly attributable to the award of the licence. Payments made to gaming boards for enhancements of existing casino licences, such as additional gaming positions, are capitalised to the underlying casino licence by the individual casino.

Casino licences without expiry dates are not amortised as they are considered to have indefinite lives and are tested for impairment on the same basis as goodwill (refer to accounting policy 1(c)(iii) above).

(iii) Distribution rights

Distribution rights represent multi-territory and multi-platform programming rights that the Group is able to sell to other content acquirers in the media industry. These assets are initially recognised at cost and subsequently amortised over the products' useful life. Distribution rights are tested for impairment annually until they are brought into use.

(iv) Intangible assets – coal mining

Capitalised evaluation and exploration expenditure, and capitalised development expenditure with finite lives are amortised over their estimated useful life.

Direct attributable expenses relating to mining and other major capital projects, site preparations, and exploration and development are capitalised until the asset is brought to a working condition for its intended use. These costs include dismantling and site restoration costs to the extent that these are recognised as a provision.

Costs capitalised to evaluation and exploration expenditure are transferred to capitalised development costs once the technical feasibility and commercial viability of developing the mine has been established and the decision to develop the mine has been taken by the directors.

(v) Intangible assets – oil and gas exploration

The Group follows the "successful efforts" method of accounting for oil and gas exploration and evaluation costs, having regard to the requirements of IFRS 6 *Exploration for and Evaluation of Mineral Resources*.

All licence/project acquisitions, exploration and appraisal costs including directly attributable general, administrative and staff costs (including associated overheads) incurred or acquired on the acquisition of a subsidiary, are accumulated in respect of each identifiable project area. These costs, which are classified as intangible assets are only carried forward to the extent that they are expected to be recovered through the successful development of the area or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves.



Pre-licence costs and general exploration costs not specific to any particular licence or prospect are expensed as incurred. If prospects are deemed to be impaired (unsuccessful) on completion of the evaluation, the associated costs are charged to the statement of profit or loss. If the field is determined to be commercially viable, the attributable costs are tested for impairment before being transferred to development/production assets within property, plant and equipment.

For farm-outs in the exploration and evaluation phase, the Group does not record any expenditure incurred by the farmee on its behalf (a carry). It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest, with any excess accounted for as a gain on disposal by the Group.

(vi) Programming under development

Programming under development represents the cost of content that is still in the process of being developed and cannot yet be brought into use. Once ready for use these assets are transferred to programming completed (if the intention is to sell or license the content) or programming rights (if the content will be used for broadcasting purposes) (see accounting policy 1(j)). The carrying value of programming under development is subject to annual impairment reviews.

(vii) Programming completed

Programming completed represents internally produced content that is available to be licensed to broadcasters. The amortisation method is consistent with the amount received for individual titles licensed to these broadcasters.

(h) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

(i) Financial assets

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost;
- fair value through profit or loss (FVTPL); and
- fair value through other comprehensive income (FVOCI).

The classification is determined by both the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial assets at amortised cost or at FVOCI, transaction costs that are directly attributable to the acquisition of the financial asset. Trade receivables are measured at their transaction price in accordance with IFRS 15 *Revenue from Contracts with Customers*.

(i) Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model with the objective to hold the financial assets and collect its contractual cash flows; and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these assets are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables, investments in cumulative redeemable preference shares and loan receivables fall into this category of financial instruments.

(ii) Financial assets classified as FVTPL

Financial assets that are held within a business model other than "hold to collect" or "hold to collect and sell", are classified as FVTPL and include the Group's investments in listed equities, unit trust funds and equity of Main Street 1549, as detailed in note 7. Further, irrespective of business model, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see accounting policy 1(h)(iv) below).

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined with reference to active market transactions or using a valuation technique where no active market exists.

Dividend income from FVTPL investments is recognised in profit or loss as part of investment income when the Group's right to receive payments is established.



ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

(iii) Financial assets classified as FVOCI

The Group's investments in equity instruments, that are not held for trading, are classified as financial assets at FVOCI only if the Group has made an irrevocable election at the time of initial recognition to account for the investment at FVOCI.

Where the Group has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no reclassification of these gains and losses to profit or loss on derecognition of the investment.

Dividends on FVOCI equity instruments are recognised in profit or loss as part of investment income when the Group's right to receive payments is established.

The Group has irrevocably elected to measure its equity investments in SunWest Casino, Worcester Casino and City Lodge Hotels at FVOCI. These investments are held as long-term strategic investments that are not expected to be sold in the short to medium term.

(ii) Impairment of financial assets

The Group uses forward-looking information to recognise expected credit losses (ECLs) in accordance with the impairment requirements of IFRS 9. The Group's debt instruments carried at amortised cost fall within the scope of these requirements.

The Group applies a simplified model of recognising lifetime ECLs on trade receivables as these items do not contain a significant financing component. ECLs are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. The Group uses its historical experience, external indicators and forward-looking information to calculate the ECLs using a provision matrix. Details on the calculation of trade receivable ECLs are presented in note 13.

The balance of the Group's financial assets measured at amortised cost comprises cash and cash equivalents, investments in cumulative redeemable preference shares, loan receivables and other receivables to which the general model is applied.

ECLs are presented in other operating expenses and income as set out in note 33.

(iii) Financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and bank overdrafts.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs. Subsequently, financial liabilities are measured at amortised cost using the effective interest method.

(iv) Derivative financial instruments and hedge accounting

Derivative financial instruments are recognised at fair value on the date a derivative contract is entered into and subsequently remeasured to fair value at each reporting date. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged.

Certain derivative instruments, while providing effective economic hedges under the Group's policies, are not designated as hedges; these include forward exchange contracts. Changes in the fair value of the Group's forward exchange contracts are immediately recognised in profit or loss. The Group does not hold or issue derivative financial instruments for speculative purposes.

Cash flow hedges that qualify for hedge accounting

IFRS 9 provides an accounting policy choice allowing entities to continue with the hedge accounting requirements of IAS 39 *Financial Instruments: Recognition and Measurement* until the macro hedging project is finalised, or they can apply IFRS 9. The Group has elected to apply IFRS 9.

Derivative instruments used solely for hedging purposes by the Group, comprise interest rate swaps. To the extent that the hedge is effective, changes in the fair value of interest rate swaps are recognised in other comprehensive income and included within the cash flow hedge reserve in equity. However, if the Group closes out its position early, the cumulative fair value gains and losses recognised in other comprehensive income are frozen and reclassified from the cash flow hedge reserve to profit or loss within finance costs using the effective interest method. To the extent that derivatives used to manage cash flow interest rate risk are ineffective, changes to the fair value of these instruments are recognised in profit or loss.

Cash flow hedge accounting is discontinued when a hedging instrument expires, is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting. At that time, for forecast transactions, any cumulative gain or loss existing in equity remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately reclassified to profit or loss.

(v) Cash and cash equivalents

Cash and cash equivalents are initially measured at fair value and include cash in hand, bank deposits with financial institutions and bank overdrafts. After initial recognition, these are measured at amortised cost using the effective interest method.



Bank overdrafts are included within cash and cash equivalents in the statement of cash flows as they form an integral part of the Group's cash management.

(vi) Fair value

The fair values of quoted investments are based on current bid prices. The Group establishes fair value by using valuation techniques for unlisted securities or if the market for a financial asset is not active. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing models, making maximum use of market inputs and relying as little as possible on entity specific inputs.

(i) Inventories

Inventories are valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less selling expenses. Operating equipment utilised within 12 months is recognised as an expense based on usage. Allowance is made for slow-moving goods and obsolete materials are written off.

(j) Programming rights

Programming rights acquired or internally produced by the Group are initially measured at cost and are amortised over the number of licensed broadcasting runs.

Programming rights classified as features are amortised in line with advertising revenue earned. It is estimated that features will generate advertising revenue over more than two runs and are therefore amortised at a rate of 40% on the first run, 40% on the second run and 20% on the remaining run. For genres other than features the cost is amortised on the first run.

Programming rights are carried at the lower of cost or net realisable value. If, at the end of the licence period, the number of licensed broadcasting runs has not been fully utilised, a write-off is accounted for through the statement of profit or loss.

(k) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options are included in the share premium account.

Where subsidiaries hold shares in the Company, the consideration paid to acquire these shares is deducted from total shareholders' equity as treasury shares. Where such shares are subsequently sold or reissued, any consideration received is included in shareholders' equity. Shares issued to or held by share incentive plans within the Group are treated as treasury shares until such time when participants pay for and take delivery of such shares.

(l) Impairments and impairment reversals

This policy covers all assets except financial assets (see accounting policy 1(h)), inventories (see accounting policy 1(i)), deferred tax assets, programming rights (see accounting policy 1(j)) and disposal group assets classified as held for sale (see accounting policy 1(m)). Impairment and impairment reversal reviews are performed by comparing the carrying value of the asset to its recoverable amount, being the higher of the fair value less cost of disposal and value in use. The fair value less cost of disposal is considered to be the amount that could be obtained on disposal of the asset. The value in use of the asset is determined by discounting, at a market-based pre-tax discount rate, the expected future cash flows resulting from its continued use, including those arising from its final disposal. When the carrying values of non-current assets are written up or down by any impairment reversal or impairment, the gain or loss is recognised in profit or loss in the period in which it is incurred.

Where the asset does not generate cash flows that are independent from the cash flows of other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs.

Assets subject to amortisation or depreciation, together with the Group's oil and gas exploration and evaluation assets accounted for in terms of IFRS 6 (refer to accounting policy 1(g)(v)), are reviewed for impairments or impairment reversals if circumstances or events change to indicate that the carrying value may need to be adjusted.

(m) Disposal group assets and liabilities held for sale

Items classified as disposal group assets and liabilities held for sale are measured at the lower of carrying amount and fair value less costs to sell.

(n) Provisions

The Group recognises provisions for bonus plans based on rates negotiated with union bargaining councils, the results of the Company and the performance of relevant employees or at the discretion of Company management. These criteria are only finalised after the Group's year-end and payments are dependent upon the employee being in the Company's service at the date of payment.

Long-term environmental obligations are based on the Group's environmental plans, in compliance with current regulatory requirements. Provision is made based on the net present value of the estimated cost of restoring the environmental disturbance that has occurred up to the reporting date. The estimated cost of rehabilitation is reviewed annually and adjusted as appropriate for changes in legislation or technology. Changes in the liability, apart from interest, is adjusted against the value of the underlying asset. Cost estimates are not reduced by the potential proceeds from the sale of assets or from plant clean-up at closure, in view of the uncertainty of estimating the potential future proceeds.

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

A repurchase of service provision is raised in respect of retrenchment costs that will be payable to employees who would be surplus to requirements, should the government award the operating of some public transport routes to other third parties.

(o) Revenue recognition

Revenue mainly arises from the sale of goods by the Group's branded products and manufacturing, media and broadcasting, coal mining and transport operations as well as services rendered by the Group, of which the following represents the most material revenue streams:

- advertising revenue;
- revenue from operational contracts with the Department of Transport and the City of Cape Town for the provision of bus services;
- bus ticket revenue;
- hotel room revenue;
- food and beverage revenue;
- licence fees;
- tenant recoveries; and
- entrance fees.

To determine whether to recognise revenue, the Group follows a five-step process:

- identifying the contract with a customer;
- identifying the performance obligations;
- determining the transaction price;
- allocating the transaction price to the performance obligations; and
- recognising revenue when/as the performance obligations are satisfied.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The transaction price for a contract excludes any amounts collected on behalf of third parties. The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as deferred revenue in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises a receivable in its statement of financial position as only the passage of time is required before payment of these amounts will be due.

(i) Sale of goods

Revenue from the sale of goods for a fixed fee is recognised when or as the Group transfers control

of the assets to the customer. For stand-alone sales of goods, control transfers at the point in time the customer takes undisputed delivery of the goods. Revenue from the sale of goods is generally recognised at a point in time, except for the Group's tooling supply arrangements where control is transferred over a period of time and revenue is recognised when associated costs can be reliably estimated. When revenue is recognised over time, costs incurred to fulfil the contract to date are effectively recognised immediately, since the corresponding revenue recognised represents recovery of costs incurred at zero profit margin.

Some products are sold with volume rebates and trade discounts. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated returns, rebates and discounts to the extent that it is highly probable.

The Group does not expect to have any contracts where the period between the transfer of the promised goods to the customer and payment by the customer exceeds one year. Consequently, the Group does not adjust any of the transaction prices for the time value of money.

(ii) Rendering of services

Advertising revenue

Advertising revenue is recognised in profit or loss on a straight-line basis over the term of the agreement, net of value-added taxation. The performance obligation is fulfilled when the commercial advert is aired as per the contractual term.

Operational contract revenue

Operational contracts with The Department of Transport and The City of Cape Town relate to contracts for the provision of bus services. Revenue is recognised over time as the kilometres in respect of these services have been travelled.

Bus ticket revenue

Revenue from single-journey bus tickets is recognised at the point in time that the ticket is sold.

Revenue from the sale of multi-journey tickets is recognised as rides are utilised. At year-end, deferred revenue is recognised for unused rides on these tickets.

Hotel room, food and beverage revenue

Hotel room revenue is recognised over time due to the nature of accommodation being consumed by customers over a period of time. The customer simultaneously receives and consumes the benefits provided as provision of a room is made to the customer.

Food and beverage revenue is recognised at a point in time.



Licence fees

License fees are recognised on a straight-line basis, net of value-added taxation. The performance obligation is satisfied over time as the customer consumes the benefit of access to channels aired.

Tenant recoveries

Tenant recoveries are recognised over time as the services are provided to the tenant.

Entrance fees

Entrance fees are recognised over time as the customer receives and consumes the economic benefits.

(iii) Payment terms

No element of financing is present as sales of the Group's goods and services are generally made by cash or negotiated credit terms of up to 45 days.

Revenue other than from contracts with customers

Dividend income

Company dividend income is recognised when the right to receive payment is established.

(p) Net gaming win

Net gaming win comprises the net table and electronic gaming machines win derived by the gaming operations. In terms of accounting standards, betting transactions concluded under gaming operations meet the definition of derivatives and income from gaming operations therefore represents the net position arising from financial instruments. The net gaming win is measured as the net cash received from betting transactions from gaming operations. Due to the short-term nature of the Group's gaming operations, all income is recognised in profit or loss immediately, at fair value.

In the gaming industry, where the nature of betting transactions in respect of table games makes it difficult to separate bets placed by customers and winnings paid to customers, it follows that gaming operations experience practical difficulties reflecting output tax separately from input tax. Accordingly, the South African Revenue Service issued Binding General Ruling 59 (BGR 59), in accordance with the revised section 72 of the Value Added Tax (VAT) Act decision process. BGR 59 allows gaming operators to account for VAT, in respect of table games, by applying the tax fraction to the gross gaming revenue as stipulated in the provincial gaming regulations. The gross gaming revenue is defined as the difference between the amount of money wagered by customers, and the amount of money returned to such customers by the gaming operator as direct winnings from the gambling activities in which the customers participated.

In respect of electronic gaming machines, the aggregate amount of bets placed over a time period and the aggregate amount of winnings payouts over the same time period are recorded by a central monitoring system, as approved by the relevant provincial gaming

board. Based on this, operators of electronic gaming machines are required to account for output tax on the aggregate bets placed and input tax deductions on the aggregate winnings payouts, for each tax period.

Provincial gaming levies are calculated by applying the tax fraction to the net betting transaction for both table games and electronic gaming machines.

Any change in either the VAT rate or the provincial gaming levies would be borne by the Group and would have no impact on customers. VAT and gaming levies are therefore treated as direct costs and are included in net gaming win in the statement of profit or loss.

(q) Investment income

(i) Interest income

Interest income is recognised using the effective interest method. When a receivable is impaired the Group reduces the carrying amount to its recoverable amount by discounting the estimated future cash flows at the original effective interest rate and continuing to unwind the discount as interest income.

(ii) Dividend income

Group dividend income is recognised when the right to receive payment is established.

(r) Leases

(i) The Group is the lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low-value assets (less than R100 000); and
- leases with a term of 12 months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined with reference to the rate inherent in the lease unless this is not readily determinable, in which case the company's incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged on the outstanding balance and are reduced for lease payments made. The finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest for each period.

Right-of-use assets are initially measured at the amount of the lease liability and depreciated on a straight-line basis over the shorter of the lease term or the economic life of the asset.



ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

When the Group revises its estimate of a lease term (because, for example, it reassesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to be made over the revised term, which are discounted at the revised discount rate. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised, except in this instance the revised payments are discounted at the discount rate used on initial measurement of the lease liability. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.

(ii) The Group is the lessor

The Group classifies these leases as finance leases or operating leases.

For finance leases the Group recognises finance lease receivables in its statement of financial position. Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the Group's net investment in the finance lease.

Assets leased to third parties under operating leases are included in investment properties and property, plant and equipment in the statement of financial position. Rental income is recognised on a straight-line basis over the lease term.

(s) Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the related tax follows these items and is also recognised in equity or other comprehensive income. The current tax expense is based on the results for the year as adjusted for items that are not taxable or not deductible. The Group's liability for current taxation is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised, using the liability method, in respect of all temporary differences arising between the tax bases of assets and liabilities and their carrying values in the consolidated financial statements, except where the temporary difference arises from goodwill or from the initial recognition (other than a business combination) of other assets and liabilities in a transaction that affects neither accounting nor taxable profit.

Deferred tax is measured at the tax rates expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted at the reporting date.

(t) Employee benefits

(i) Defined contribution plans

For defined contribution plans, subsidiaries of the Group pay contributions to public administered

provident plans on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they are due.

(ii) Other post-employment obligations

Certain subsidiaries of the Group operate defined benefit plans for post-retirement medical benefits. The assets of the scheme are held separately from those of the Group and are administered by trustees. The liability recognised in the statement of financial position in respect of the plan is the present value of the defined benefit obligation at the reporting date. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of South African government bonds that have terms to maturity approximating the terms of the related plan liability.

Actuarial gains and losses arising from experience adjustments, and changes in actuarial assumptions, are recognised in full and charged or credited to other comprehensive income in the period in which they arise.

All other costs are recognised immediately in profit or loss.

(iii) Bonus plans

The Group recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation. An accrual is maintained for the appropriate proportion of the expected bonuses which would become payable at the year-end. Bonuses are treated as provisions if the amount or timing of payment is uncertain (refer to accounting policy 1(n)).

(iv) Employee leave entitlement

An accrual is made for the estimated liability to employees for annual leave up to the reporting date.

(u) Share-based payments

(i) Equity-settled

The Group has granted share options to employees in terms of The HCI Employee Share Scheme. In terms of IFRS 2 these options are fair valued at the date of grant and recognised as an expense over the relevant vesting periods. The fair value of options granted is measured using the Black-Scholes model.

(ii) Cash-settled

Goods or services, including employee services received in exchange for cash-settled share-based payments, are recognised at the fair value of the liability incurred and are expensed when consumed, or capitalised as assets. The long-term



incentive plan liability is remeasured to its fair value at each reporting date, with all changes recognised immediately in profit or loss.

The fair value of the liability is determined with reference to the subsidiary company's share price. This is adjusted for management's best estimates of the appreciation, bonus and performance units expected to vest and management's best estimate of the performance criteria assumptions on the performance units.

(v) Earnings per share

Earnings per share is based on the weighted average number of shares in issue during the year, net of treasury shares, and profit attributable to ordinary shareholders. Headline earnings per share is calculated in terms of the requirements set out in Circular 01/2023: Headline Earnings as issued by the South African Institute of Chartered Accountants.

(w) Government grants

Government grants are recognised as other income when there is reasonable assurance that the Group will comply with the relevant conditions attached to them and that the grant will be received.

Government grants relating to costs are deferred and recognised in profit or loss over the period necessary to match them with the cost that they are intended to compensate. Grants relating to the purchase of property, plant and equipment are recognised as non-current deferred income and credited to profit or loss on a straight-line basis over the expected lives of the related assets.

Government grants are presented as follows in the statement of cash flows:

- Grants related to income are included in cash flows from operating activities, in line with the nature of the related expenditure; and
- Grants related to assets are included in cash flows from investing activities, as they relate to the acquisition of long-term assets.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Judgement also needs to be exercised in applying the Group's accounting policies. Estimates and 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.

The Group has identified the following estimates and assumptions as having a significant risk of causing a material adjustment to the carrying amounts of its assets and liabilities within the next financial year:

(i) Going concern

The consolidated and separate annual financial statements of the Company have been prepared on the basis of accounting policies applicable to a going concern. This basis assumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

Although the Company's current liabilities exceed current assets at 31 March 2025, R338 million of the Company's total current liabilities of R406 million was owing to wholly-owned subsidiaries and repayable by mutual agreement of the parties, while a further R55 million was owing to the Company's largest shareholder, the Southern African Clothing and Textile Workers Union.

The Company and other Group entities were in compliance with all debt covenants imposed by funders during the current year and at the reporting date (refer to note 17). The directors are not aware of any circumstances whereby the Company or Group will not be able to meet their covenant requirements for the year ending 31 March 2026.

Cash flow forecasts and available cash resources of the Company and the Group were considered by the directors and they are of the view that all entities within the Group have access to sufficient resources and liquidity to meet their obligations as they fall due and to continue operations as a going concern for the foreseeable future. The directors are not aware of any material changes that may adversely impact the Company or the Group.

(ii) Fair value of investment properties

Investment properties owned by the Group represent a significant proportion of the Group's asset base. Estimates made in determining the fair values of these properties in particular, affect the Group's financial position and results.

The fair value of the Group's entire investment property portfolio is based on annual valuations carried out at year-end. External valuations are performed in cycles (not exceeding three years) by independent, professionally qualified valuers with relevant experience



ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

in the location and category of the investment properties being valued. Internal valuations are performed by management for the intervening years. Details regarding the significant unobservable inputs used in the valuation of these properties, together with a sensitivity analysis should these significant unobservable inputs change, are presented in note 2.

(iii) Estimated impairments and impairment reversals of goodwill and indefinite lived intangible assets

The Group tests annually whether goodwill and indefinite lived intangible assets have suffered any impairment, in accordance with the accounting policies stated in 1(c)(iii) and 1(g) above. The recoverable amounts of CGUs have been based on value-in-use calculations. These calculations require the use of estimates and significant judgement when evaluating the inputs used as detailed in notes 3 and 5.

(iv) Carrying value of oil and gas exploration assets

Costs capitalised as intangible assets are assessed for impairment as detailed in accounting policy 1(l), when circumstances suggest that the carrying value may exceed its recoverable value. These indicators, as set out in IFRS 6 and which are individually considered for each exploration asset on at least an annual basis, are:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full, from successful development or by sale.

This assessment involves judgement as to whether any of these impairment indicators have arisen during the year. The directors considered each of these indicators individually and concluded that no impairment assessment was required. Details on the Group's exploration assets are provided in note 4.

(v) Impairment reversal assessment of investment in associate

Following indicators of an impairment reversal as detailed in note 6, the Group determined the recoverable amount of its investment in Southern Sun with reference to its value in use. These calculations required the use of estimates and judgements as detailed in note 6.

(vi) Fair value of financial instruments that are not traded in an active market

The fair value of financial instruments that are not traded in an active market (for example unlisted investments) is determined by using valuation techniques. The Group uses its judgement in selecting a valuation method and makes assumptions that are mainly based on market conditions existing at the end of each reporting period.

The Group used the discounted cash flow valuation method to determine the fair value of its unlisted equity investments in SunWest and Worcester Casinos, carried at FVOCI, and Main Street which is carried at FVTPL. Refer to note 7 for the significant unobservable inputs used in these fair value measurements together with a sensitivity analysis should any of these inputs change.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the Company's assets and liabilities within the next financial year are as follows:

(i) Impairment and impairment reversal assessments of investments in subsidiaries

The Company recognised impairments totalling R146 million on investments in subsidiary company shares following indicators that the carrying values may need to be impaired at year-end. Details on the judgements made and estimates used in respect of impairment considerations are presented in note 8.



3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

3.1 New standards, interpretations and amendments adopted as at 1 April 2024

The Group adopted the following applicable amendments to existing standards, as issued by the IASB, during the current year:

- IAS 1 *Presentation of Financial Statements* (Amendment: Classification of liabilities as current/non-current and long-term debt affected by covenants);
- IFRS 16 *Leases* (Narrow-scope amendment: Lease liability in a sale and leaseback); and
- IFRS 7 *Financial Instruments: Disclosures* and IAS 7 *Statement of Cash Flows* (Amendment: Supplier finance arrangements requiring disclosure).

The amendments to IAS 1 and IFRS 16 had no significant impact on the Group, while the amendment to IFRS 7 had no impact due to the Group not having any supplier finance arrangements.

3.2 New standards, interpretations and amendments that are not yet effective

Certain new standards, interpretations and amendments to existing standards have been issued by the IASB that are effective in future accounting periods of the Group. The most significant of these, which the Group has decided not to early adopt, are the following:

Standard	Details of standard or amendment	Annual periods beginning on or after
IAS 21 <i>The Effect of Changes in Foreign Exchange Rates</i>	<p>Amendment: Lack of exchangeability:</p> <ul style="list-style-type: none"> • currency exchangeability explained; • requirement to estimate currency that is not exchangeable by using either an observable exchange rate without adjustment or using another estimation technique; and • additional disclosures are required when an exchange rate requires estimation. <p>These amendments are not expected to have an impact on the Group due to it not operating in, or exporting to, countries that experience a lack of exchangeability.</p>	The Group will apply the amendments to IAS 21 from annual periods beginning 1 April 2025
IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments: Disclosures</i>	<p>Amendments: Clarifying the derecognition of financial liabilities and classification of financial assets.</p> <p>Amendment: Additional disclosures:</p> <ul style="list-style-type: none"> • equity instruments measured at fair value through equity; and • financial instruments with contingent payment features. <p>The Group is in the process of assessing the impact of these amendments.</p>	The Group will apply the amendments to IFRS 9 and IFRS 7 from annual periods beginning 1 April 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	<p>New standard: This standard deals with the presentation and disclosure of information in general purpose financial statements; new requirements:</p> <ul style="list-style-type: none"> • new mandatory totals or subtotals within the statement of profit or loss; • disclosure of management-defined performance measures; • aggregation and disaggregation of financial information based on the identified "roles" of the primary financial statements and the notes; • operating profit must be the starting point for indirect method cash flows; and • consequential amendments to other accounting standards. <p>The Group is in the early stages of assessing the impact of the new standard.</p>	The Group will apply the amendments to IFRS 18 from annual periods beginning 1 April 2027

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

	Group		
	2025 R'000	2024 R'000	2023 R'000
1. PROPERTY, PLANT AND EQUIPMENT			
Cost			
Broadcast studios and equipment	670 669	653 918	623 597
Buses	2 357 936	2 190 333	2 073 397
Land and buildings	13 910 999	13 943 968	13 960 445
Leasehold improvements	447 785	496 905	493 293
Mining infrastructure	128 787	128 483	69 780
Other equipment and vehicles	682 756	647 637	612 161
Plant and machinery	7 035 070	7 263 393	6 683 651
Bearer plants	592	–	–
Properties under construction	288 942	66 455	78 071
	25 523 536	25 391 092	24 594 395
Accumulated depreciation and impairments			
Broadcast studios and equipment	(565 631)	(525 228)	(483 291)
Buses	(1 019 453)	(966 394)	(918 006)
Land and buildings	(2 319 424)	(2 094 533)	(1 902 241)
Leasehold improvements	(317 080)	(328 887)	(307 860)
Mining infrastructure	(115 899)	(99 106)	(51 168)
Other equipment and vehicles	(380 039)	(354 992)	(320 432)
Plant and machinery	(4 361 545)	(4 645 806)	(4 286 675)
	(9 079 071)	(9 014 946)	(8 269 673)
Carrying value			
Broadcast studios and equipment	105 038	128 690	140 306
Buses	1 338 483	1 223 939	1 155 391
Land and buildings	11 591 575	11 849 435	12 058 204
Leasehold improvements	130 705	168 018	185 433
Mining infrastructure	12 888	29 377	18 612
Other equipment and vehicles	302 717	292 645	291 729
Plant and machinery	2 673 525	2 617 587	2 396 976
Bearer plants	592	–	–
Properties under construction	288 942	66 455	78 071
	16 444 465	16 376 146	16 324 722
Movements in property, plant and equipment			
Balance at the beginning of the year			
Broadcast studios and equipment	128 690	140 306	
Buses	1 223 939	1 155 391	
Land and buildings	11 849 435	12 058 204	
Leasehold improvements	168 018	185 433	
Mining infrastructure	29 377	18 612	
Other equipment and vehicles	292 645	291 729	
Plant and machinery	2 617 587	2 396 976	
Properties under construction	66 455	78 071	
	16 376 146	16 324 722	



		Group	
		2025 R'000	2024 R'000
1. PROPERTY, PLANT AND EQUIPMENT continued			
Additions			
Broadcast studios and equipment	36 150	42 746	
Buses	227 444	177 935	
Land and buildings	99 550	72 283	
Leasehold improvements	16 050	17 243	
Mining infrastructure	304	29 305	
Other equipment and vehicles	93 205	102 424	
Plant and machinery	627 240	836 706	
Bearer plants	592	–	
Properties under construction	264 998	56 495	
	1 365 533	1 335 137	
Notes	36.8	36.8	
Business combinations/(disposal of subsidiaries)			
Leasehold improvements	(25)	–	
Other equipment and vehicles	1 762	–	
Plant and machinery	3 386	–	
	5 123	–	
Note	43		
Disposals			
Broadcast studios and equipment	(3 166)	(64)	
Buses	(12 562)	(11 406)	
Land and buildings	(39 340)	(20)	
Leasehold improvements	(96)	–	
Other equipment and vehicles	(19 797)	(22 304)	
Plant and machinery	(8 910)	(17 334)	
Properties under construction	(162)	–	
	(84 033)	(51 128)	
Transfers*			
Broadcast studios and equipment	(171)	–	
Land and buildings	1 993	(49 197)	
Leasehold improvements	(14 172)	–	
Mining infrastructure	–	29 398	
Other equipment and vehicles	(12 503)	(25 672)	
Plant and machinery	91 452	62 448	
Properties under construction	(53 635)	(70 293)	
	12 964	(53 316)	
Notes	2, 11	2, 11	

* Current-year transfers comprise buildings with a net value of R2 million being transferred from investment properties as detailed below, while equipment and machinery with a net value of R11 million was transferred from inventory as set out in note 11 (2024: buildings valued at R76 million transferred to investment properties, and equipment and machinery totalling R23 million transferred from inventory).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group	
	2025 R'000	2024 R'000
1. PROPERTY, PLANT AND EQUIPMENT continued		
Depreciation		
Broadcast studios and equipment	(56 465)	(54 298)
Buses	(98 115)	(89 633)
Buildings	(133 237)	(172 730)
Leasehold improvements	(30 709)	(34 380)
Mining infrastructure	(16 793)	(47 938)
Other equipment and vehicles	(50 963)	(51 702)
Plant and machinery	(632 116)	(639 219)
	(1 018 398)	(1 089 900)
Impairments		
Buses	(2 223)	(8 348)
Land and buildings	(193 720)	(63 353)
Leasehold improvements	(8 361)	(278)
Other equipment and vehicles	(1 632)	(1 830)
Plant and machinery	(25 114)	(21 990)
	(231 050)	(95 799)
Note	30	30
Borrowing costs capitalised		
Properties under construction	11 286	2 182
Revaluation on transfer to investment properties		
Land and buildings	6 894	4 248
Balances at the end of the year		
Broadcast studios and equipment	105 038	128 690
Buses	1 338 483	1 223 939
Land and buildings	11 591 575	11 849 435
Leasehold improvements	130 705	168 018
Mining infrastructure	12 888	29 377
Other equipment and vehicles	302 717	292 645
Plant and machinery	2 673 525	2 617 587
Bearer plants	592	–
Properties under construction	288 942	66 455
	16 444 465	16 376 146

1. PROPERTY, PLANT AND EQUIPMENT continued

Transfers between property, plant and equipment and investment properties

Land owned by the Group's Mykonos Precinct was previously classified as owner-occupied property in line with IAS 16 *Property, Plant and Equipment*. During the year under review the land ceased to be owner-occupied and was consequently transferred from property, plant and equipment to investment properties (refer to note 2). In accordance with IAS 16 and IAS 40 *Investment Property*, the land was revalued to its fair value of R37 million before being transferred, and a fair value gain of R7 million recognised in other comprehensive income. The Deneb group changed the classification of one of its industrial properties from an investment property to owner-occupied following a change in its use during the year. The property was transferred from investment properties and included in property, plant and equipment at its fair value of R39 million (refer to note 2).

During the prior year the Group's Palazzo Towers West office building was transferred to investment properties at a fair value of R76 million. The Group recognised a fair value gain of R4 million in respect of the property's revaluation on transfer.

Useful lives and depreciation

The following useful lives were used in the calculation of depreciation:

Broadcast studios and equipment	5 to 8 years
Buses	8 to 24 years
Buildings	20 to 50 years
Leasehold improvements	Shorter of the lease term or 50 years
Mining infrastructure (refer to note 4)	Life of the mine
Other equipment and vehicles	1 to 15 years
Plant and machinery	2 to 26 years
Bearer plants	30 years

The Group reviews the useful lives and residual values of its property, plant and equipment at each reporting date. Adjustments to depreciation in respect of the reassessed useful lives and residual values are made prospectively and resulted in a reduction of R56 million (2024: reduction of R52 million) to the depreciation charge for the year. The reassessment of residual values will decrease depreciation by R13 million in the following year.

Impairment of property, plant and equipment

The Group recognised impairments of property, plant and equipment totalling R231 million (2024: R96 million) during the year.

Property, plant and equipment of the Group's gaming operations were impaired by R229 million (2024: R86 million), most significantly due to a major refurbishment at Emerald Casino which resulted in a R120 million impairment of its assets. The Group further recognised impairments of R16 million (2024: R80 million), R21 million and R52 million, respectively, on property, plant and equipment relating to its Hemingways, Goldfields and Caledon Precincts during the year. These impairments resulted from the value in use of the precincts being lower than their carrying value, as detailed in note 5. The remaining impairments in the current and prior year relate to plant and equipment, most significantly due to the closure of Bingo sites.

Buses with a book value of R2 million (2024: R8 million) were impaired by the Group as a result of being destroyed in acts of violence during the year.

Operating leases

At the reporting date the Group had contracted with tenants for the following future lease payments under non-cancellable operating leases in respect of land and buildings, machinery and gaming equipment:

	Group	
	2025 R'000	2024 R'000
Future lease payments receivable:		
– within one year	79 831	75 042
– within one to two years	62 178	55 297
– within two to three years	45 031	39 763
– within three to four years	21 862	29 807
– within four to five years	6 351	11 503
– after five years	4 028	4 926
	219 281	216 338

A register of land and buildings is available for inspection at the registered office of the Company.

Encumbrances

Details of the assets that serve as security for borrowings are presented in note 17.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group	
	2025 R'000	2024 R'000
2. INVESTMENT PROPERTIES		
Investment properties consist of:		
Investment properties at fair value	5 440 258	5 080 225
Non-current operating lease equalisation assets	119 615	123 985
	5 559 873	5 204 210
Investment properties relate to the Group's interests in the following segments:		
Properties	3 714 695	3 587 167
Gaming	702 727	442 756
Branded products and manufacturing	957 237	1 024 362
Other	185 214	149 925
	5 559 873	5 204 210

Properties segment

Investment properties, totalling R3 715 million (2024: R3 587 million), are carried at fair value at 31 March 2025 (refer to pages 37 to 39 of the integrated annual report for an overview of properties included in the Group's properties segment). The Group recognised a fair value gain of R264 million (2024: gain of R43 million) in the statement of profit or loss in respect of these properties during the current year.

The fair values of all properties have been arrived at on the basis of external valuations carried out by Empire Value Proprietary Limited, an independent firm of valuers not related to the Group, at 31 March 2025. Details on the valuation methods applied and the significant unobservable inputs used, are presented in the tables below:

Significant unobservable inputs								
Valuation method	Number of properties	Fair value R'000	Net cash flows					
			Income growth %	Expense growth %	Net income growth %	Vacancy %	Terminal capitalisation rate %	Discount rate %
2025								
Discounted cash flow	11	3 278 525	4.5 – 7.7	4.3 – 10.5	3.6 – 5.8	0 – 12.5	8.8 – 12.0	13.3 – 16.5
Discounted cash flow ¹	1	186 000	6.5	5.8	5.7	18.0	10.0	13.5
Discounted cash flow ²	2	164 573	4.5	5.3	4.3	0	9.3	14.0
Direct comparable sales ⁴	2	85 597	N/A	N/A	N/A	N/A	N/A	N/A
	16	3 714 695						
2024								
Discounted cash flow	11	3 039 120	4.3 – 7.0	5.3 – 8.9	5.1 – 9.7	0 – 7.2	9.0 – 12.0	14.0 – 16.5
Discounted cash flow ¹	1	158 000	6.5	5.8	6.5	13.6	10.0	15.0
Discounted cash flow ²	7	180 427	3.5 – 6.5	6.0	8.3	4.0	10.0 – 10.8	15.0 – 15.8
Discounted cash flow ³	2	142 000	4.3	5.3	5.0	0	10.0	15.0
Direct comparable sales ⁴	2	67 620	N/A	N/A	N/A	N/A	N/A	N/A
	23	3 587 167						

¹ Fair value includes R19 million (2024: R16 million) relating to spare bulk (available areas the Group may develop based on available land and permission to develop), based on 10 000 m² of land at a bulk rate of R1 900/m² (2024: 10 000 m² of land at a bulk rate of R1 600/m²).

² Fair value represents the properties segment's share in a consortium which was sold to the Group's gaming operations during the year. The fair value included R15 million relating to spare land and spare bulk, based on 26 517 m² of land at a bulk rate of R551/m² at the end of the prior year.

³ Fair value included R16 million relating to spare bulk, based on 6 896 m² of land at a bulk rate of R2 350/m² at 31 March 2024. This space was occupied by a tenant during the current year and, as a result, the fair value was determined by applying the discounted cash flow method at 31 March 2025.

⁴ The fair value of vacant land was determined by applying the direct comparable sales method and based on 32 029 m² of land at a rate of R478/m² and 52 900 m² of land valued at R1 329/ m² (2024: 32 029 m² of land at a rate of R460/m² and 52 900 m² of land valued at R1 000/m²).

The table below indicates the sensitivities of this investment property portfolio by increasing or decreasing value inputs as follows:

	2025		2024	
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
5% change in the net cash flows	145 858	(166 874)	166 585	(185 735)
0.25% change in the terminal capitalisation rate	(59 831)	69 808	(64 534)	49 140
0.5% change in the discount rate	(31 900)	17 140	(58 076)	58 431



2. INVESTMENT PROPERTIES continued

Gaming segment

The fair value of investment properties owned by the Group's gaming interests, totalling R712 million (2024: R448 million), has been arrived at on the basis of external valuations carried out at 31 March 2025 by Norman Griffiths, an independent property valuer not related to the Group.

The Group recognised a gain of R39 million (2024: loss of R5 million) relating to fair value adjustments on these properties during the current year. The fair values have been determined using capitalised values of the projected rental income together with the assessment of development land. The valuation model considers the nature, location, size and popularity of the properties, as well as vacancies based on historical and current vacancy factors. The fair value increase can mainly be ascribed to lower vacancy rates in the majority of the buildings.

Significant unobservable inputs were as follows:

	2025	2024
Capitalisation rate applied to rental income	9.3% – 10.0%	9.3% – 10.0%
Vacancy rate	0% – 25%	0% – 25%
Projected rental income	R145/m ² average based on 48 184 m ² lettable area	R125/m ² – R160/m ² based on 48 184 m ² lettable area

The table below indicates the sensitivities of the gaming group's investment property portfolio by increasing or decreasing value inputs as follows:

	2025		2024	
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
1% change in the capitalisation rate	(54 412)	66 978	(25 803)	32 817
1% change in the vacancy rate	(5 690)	5 690	(3 254)	4 507
1% change in projected rental income	5 805	(5 805)	3 761	(3 254)

Branded products and manufacturing segment

The fair value of investment properties owned by the Group's branded products and manufacturing interests, totalling R976 million at 31 March 2025 (2024: R1 044 million), had been arrived at on the basis of external valuations carried out by David Newman Property Management, an independent property valuer not related to the Group. The valuation technique applied was the capitalisation of income method. The valuation model considers the net operating income of the rent collected and divides it by the capitalisation rate (investor's rate of return), taking into account expected rental income and anticipated expenses for the next 12 months, the properties' location and structure as well as the rental-producing capacity of similar buildings in similar locations. This segment's investment property portfolio was valued at a weighted average capitalisation rate of 9.6% (2024: 9.8%).

During the year under review the Group recognised a gain of R7 million (2024: gain of R3 million) relating to fair value adjustments on this segment's investment properties in its statement of profit or loss.

Significant unobservable inputs were as follows:

	2025	2024
Capitalisation rate	9.0% – 9.8%	8.3% – 11.0%
Occupation rate	79% – 100%	95% – 100%
Projected income	R36/m ² – R83/m ² based on 156 832 m ² lettable area	R34/m ² – R80/m ² based on 239 198 m ² lettable area

The table below indicates the sensitivities of the Group's investment property portfolio by increasing or decreasing value inputs as follows:

	2025		2024	
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
1% change in the capitalisation rate	(88 491)	112 166	(96 031)	117 952
1% change in the projected income	10 836	(8 152)	9 964	(10 364)

A decrease of 1% in the occupation rate would decrease the fair value of the Group's investment properties by R16 million (2024: R16 million).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

2. INVESTMENT PROPERTIES continued

Other

Investment properties owned by the Group's other interests comprise vacant land and commercial buildings. The fair value of these properties, totalling R185 million at 31 March 2025 (2024: R150 million), has been arrived at on the basis of internal valuations carried out by the directors. The fair value of the vacant land, totalling R1 million (2024: R1 million), was determined by applying the direct comparable sales valuation technique while commercial buildings with a fair value of R184 million (2024: R149 million) were valued using the discounted cash flow method. The Group did not recognise any fair value adjustments in respect of these properties during the current or prior year.

Significant unobservable inputs were as follows:

	Group	
	2025 %	2024 %
Commercial buildings		
<i>Net cash flows:</i>		
Net income growth rate	6.2	6.2
Occupation rate	100	100
Exit capitalisation rate	9.2	8.8
Discount rate	14.4	14.0

The table below indicates the sensitivities of these investment properties by increasing or decreasing value inputs as follows:

	2025		2024	
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
5% change in the net cash flows	8 263	(8 265)	7 323	(7 325)
0.25% change in the exit capitalisation rate	(2 924)	3 086	(2 751)	2 911
0.5% change in the discount rate	(3 056)	3 130	(2 734)	2 801

2. INVESTMENT PROPERTIES continued

	Group	
	2025 R'000	2024 R'000
Reconciliation of carrying value		
At the beginning of the year	5 204 210	5 052 816
Fair value adjustments	309 541	40 630
Transfer to non-current assets held for sale (refer to note 14)	(42 700)	(127 117)
Transfer from non-current assets held for sale (refer to note 14)	–	81 500
Additions	64 467	68 317
Disposals	–	(692)
Improvements	32 080	14 774
Transfer from property, plant and equipment (refer to note 1)	37 000	76 000
Transfer to property, plant and equipment (refer to note 1)	(39 010)	–
Movements in non-current operating lease equalisation assets	(4 370)	(268)
Amortisation of letting fees capitalised	(1 345)	(1 750)
At the end of the year	5 559 873	5 204 210
Rental income from investment properties (excluding recoveries)	607 040	604 415
Direct operating expenses arising from investment properties that generated rental income during the year	(368 562)	(330 737)
Direct operating expenses arising from investment properties that did not generate rental income during the year	(1 037)	(726)
Fair value of investment properties per valuations carried out	5 588 365	5 228 990
Adjusted for:		
Operating lease equalisation asset		
– non-current portion	(119 615)	(123 985)
– current portion (included in other receivables, refer to note 13)	(21 127)	(18 899)
Capitalised letting fees	(7 365)	(5 881)
Adjusted fair value included in the statement of financial position	5 440 258	5 080 225

At the reporting date the Group had contracted with tenants for the following future lease payments under non-cancellable operating leases for investment properties:

	Group	
	2025 R'000	2024 R'000
Future lease payments receivable:		
– within one year	511 193	513 718
– within one to two years	395 862	401 818
– within two to three years	300 681	303 127
– within three to four years	198 307	219 758
– within four to five years	118 532	133 054
– after five years	466 734	502 225
	1 991 309	2 073 700

Investment properties are classified as level 3 fair value measurements – refer to note 44.3.

Details of investment properties are available at the registered office of the Company.

Encumbrances

Details of the assets that serve as security for borrowings are presented in note 17.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group	
	2025 R'000	2024 R'000
3. GOODWILL		
Arising on obtaining control of subsidiaries	5 738 002	3 824 589
Reconciliation of carrying value		
At the beginning of the year	3 824 589	3 824 589
Cost	4 087 971	4 087 971
Accumulated impairment	(263 382)	(263 382)
Business combinations (refer to note 43.2)	1 918 993	–
Exchange differences	(5 580)	–
	5 738 002	3 824 589
At the end of the year	5 738 002	3 824 589
Cost	6 001 384	4 087 971
Accumulated impairment	(263 382)	(263 382)

Goodwill is monitored and allocated to the following cash-generating units (CGUs) of the Group:

- gaming (2025: R3 728 million; 2024: R3 728 million);
- media and broadcasting (2025: R43 million; 2024: R43 million);
- transport (2025: R32 million; 2024: R32 million);
- branded products and manufacturing (2025: R26 million; 2024: R22 million); and
- oil and gas prospecting (2025: R1 909 million; 2024: Rnil).

Goodwill arising on acquisition of subsidiaries

Goodwill recognised during the year most significantly relates to the Group's acquisition of Impact Oil & Gas Limited (IOG) and Africa Energy Corp. as detailed in note 43.2. The goodwill was recognised as a result of the additional future benefits expected from these businesses.

Goodwill totalling R1 874 million was recognised in respect of IOG, based on the fair value (level 3) of the CGU at the date of acquisition. The Group considered the most recent dealings in the company's shares when evaluating the fair value of the CGU at the reporting date. Management concluded that the fair value would not be significantly different from that calculated at the acquisition date and using the fair value less cost of disposal basis, IOG's goodwill was found not to be impaired.

3. GOODWILL continued

Impairment of goodwill

Consumer discretionary spend remained under pressure as a result of the country's slow economic growth, high levels of unemployment, high fuel and food prices and high interest rates. This, together with the significant growth in online betting on casino-style games, contributed to the Group's income remaining under pressure during the year. The ongoing war between Russia and Ukraine, and the conflict in the Middle East continue to bring substantial global uncertainty and instability. The Group does not have direct exposure to the respective countries, however, these negative influences on the global economy also impact disposable income in South Africa. These factors were all taken into account in the impairment testing of the Group's goodwill and intangibles, specifically casino licences, most of which are considered to have indefinite lives. Refer to note 5 for detail on impairment testing performed on the Group's casino licences.

The recoverable amount of a CGU is based on the higher of its fair value less cost of disposal and its value in use. The value of each CGU to which goodwill has been allocated, with the exception of the oil and gas prospecting CGU as explained earlier, has been based on value-in-use calculations using cash flow projections extending over five years as approved by management. The key assumptions applied in value-in-use calculations are as follows:

- Income, operating expenses and earnings before interest, taxation, depreciation and amortisation (EBITDA) margins were estimated by management based on past and current performance and their expectations of disposable income in South Africa as mentioned above. Management continued to focus on maintaining previously implemented cost reductions and operational efficiencies during the year. The aforementioned, together with the assumptions below, are reflected in the Group's cash flow forecasts which assume normal growth in the future;
- Cash flows beyond the first five-year period are extrapolated using estimated long-term growth rates to calculate the terminal recoverable amount. The growth rate estimates consider risks associated with the specific industry in which the CGU operates and are consistent with forecast information included in industry-specific reports, where applicable. Other than the gaming operations, for which the long-term growth rate was revised downward by 0.5%, it was not deemed necessary to revise the long-term growth rate for any of the Group's other CGUs from the prior year; and
- Discount rates are calculated by using the weighted average cost of capital (WACC) of the respective CGUs. WACC is typically calculated using a risk-free bond rate and an equity premium adjusted for specific risks relating to the relevant CGU (share beta and small stock premium). The negative impact of the factors mentioned above on the local economy had been factored into the risk premium for individual CGUs as appropriate. Pre-tax discount rates have decreased in comparison with the prior year, most significantly as a result of lower risk-free and weighted average cost of debt rates following interest rate decreases by the South African Reserve Bank (SARB) during the year. The Group believes discount rates will normalise over the medium term, with the possibility of further interest rate cuts by SARB and more confidence reflected in the South African economy largely due to the formation of the Government of National Unity after the May 2024 elections.

Value-in-use calculations were performed using inputs within the following ranges:

	Gaming CGU		Other CGUs	
	2025 %	2024 %	2025 %	2024 %
Pre-tax discount rate	17.5	18.7	12.9 – 21.4	12.8 – 23.0
Number of years	5 years	5 years	5 years	5 years
Cost growth rate	4.5	5.0	4 – 6	4 – 6
Long-term growth rate	4.5	5.0	4.5 – 5.5	4.5 – 5.5

Based on the calculations as detailed above, the Group has not identified any impairment to goodwill in its CGUs for the year under review. A sensitivity analysis was performed on the key assumptions used in the value-in-use calculation of the Group's gaming CGU and it was concluded that neither an increase of 1% in the discount rate nor a decrease of 1% in the long-term growth rate would result in an impairment to goodwill (2024: Rnil).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

4. INTANGIBLE ASSETS – MINERALS

	Exploration and evaluation		Development expenditure	
	Oil and gas R'000	Coal mining R'000	Coal mining R'000	Total R'000
2025				
Carrying value at the beginning of the year	–	17 281	22 678	39 959
Business combinations (refer to note 43.2)	14 455 653	–	–	14 455 653
Amortisation	–	(894)	(7 245)	(8 139)
Rehabilitation provision capitalised (refer to note 20)	–	–	548	548
Rehabilitation provision released (refer to note 20)	–	(1 720)	–	(1 720)
Additions (refer to note 36.7)*	46 992	–	–	46 992
Disposals	(1 748 083)	–	–	(1 748 083)
Foreign exchange differences	(74 652)	–	–	(74 652)
Transfers	–	(14 667)	14 667	–
Carrying value at the end of the year	12 679 910	–	30 648	12 710 558
Cost	12 679 910	–	155 455	12 835 365
Accumulated amortisation and impairments	–	–	(124 807)	(124 807)
	12 679 910	–	30 648	12 710 558
2024				
Carrying value at the beginning of the year	–	415	24 803	25 218
Cost	–	3 341	122 807	126 148
Accumulated amortisation and impairments	–	(2 926)	(98 004)	(100 930)
Amortisation	–	(135)	(15 603)	(15 738)
Rehabilitation provision capitalised (refer to note 20)	–	14 198	13 478	27 676
Additions (refer to note 36.7)*	–	2 803	–	2 803
Carrying value at the end of the year	–	17 281	22 678	39 959
Cost	–	20 342	136 285	156 627
Accumulated amortisation and impairments	–	(3 061)	(113 607)	(116 668)
	–	17 281	22 678	39 959

* Additions include capitalised expenses such as geology costs, engineering costs, environmental costs, feasibility costs, consultants' fees, general and administrative costs directly attributable to the project and staff costs.

4. INTANGIBLE ASSETS – MINERALS continued

Oil and gas operations

On 19 July 2024 the Group gained control of its associate investment, Impact Oil & Gas Limited (IOG), as detailed in note 6. The Group recognised exploration and evaluation assets with a fair value of R14 456 million at the date of acquisition, as set out in note 43.2.

On 10 January 2024 and prior to the Group's acquisition of the company, IOG entered into an agreement with TotalEnergies EP Namibia B.V. (TotalEnergies) for the farm-out of 9.4% and 10.5% of its interests in Blocks 2912 and 2913B offshore Namibia, respectively. This agreement provides IOG with a carry loan for its remaining development, appraisal and exploration joint venture costs on the Blocks from 1 January 2024 until the First Oil Date. The transaction completed on 1 November 2024 with net proceeds of US\$99 million (R1 748 million), representing a pro-rata refund of past costs incurred in respect of the farmed out interests, being received by the Group. IOG's share of carried joint venture costs, totalling US\$99.9 million (R1 828 million) at 31 March 2025, are repayable to TotalEnergies from a share of the company's after-tax cash flows from production. These costs have therefore not been included in the Group's results.

In November 2021 IOG's Transkei & Algoa joint venture commenced a 3D seismic survey over the block. However, environmental activists and local communities initiated interim legal proceedings in court which resulted in the survey being terminated. A later procedural review application resulted in a High Court judgment that the minister's decision to award the exploration right (ER) over the Transkei & Algoa blocks be set aside. IOG's Supreme Court appeal hearing was held in May 2024 and whilst the appeal was dismissed, the Supreme Court suspended the High Court judgment setting aside the ER. Any future survey on this block is dependent on the outcome of ongoing legal proceedings, with IOG's Constitutional Court appeal hearing scheduled for 16 September 2025. The directors have considered the claim against IOG and, based on legal advice, believe they have reasonable prospects of success in the appeal. If the appeal ultimately fails against the joint venture, the capitalised costs in relation to this licence totalling R460 million at the reporting date, may need to be impaired.

Details of IOG's operations are set out on pages 32 to 35 of the integrated annual report.

	Group	
	2025 R'000	2024 R'000
Capitalised exploration and evaluation costs, per geographical region, are as follows:		
South Africa	459 926	17 281
Namibia	12 219 984	–
	12 679 910	17 281

Amortisation

Amortisation expenses are included in the depreciation and amortisation balance in the statement of profit or loss. Mining intangible assets are amortised over the total expected tons to be produced during the life of the mine. The Palesa Mine produced 3 945 913 (2024: 4 837 378) tons during the current year and is expected to produce a further 47 058 428 tons over its remaining life as at 31 March 2025.

The Group does not amortise its oil and gas intangible assets since production has not commenced yet. These assets are tested for impairment when there is an indicator that the carrying value of the asset may exceed its recoverable amount, as required by IFRS 6 *Exploration for and Evaluation of Mineral Resources* (refer to accounting policy 2(iv)). If the field is determined to be commercially viable, the attributable costs are transferred to development/production assets within property, plant and equipment, and subsequently depreciated.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

5. INTANGIBLE ASSETS – OTHER

Group	Computer software R'000	Distribution rights R'000	Licences and bid costs R'000
2025			
Carrying value at the beginning of the year	15 761	226 175	8 778 069
Business combinations (refer to note 43.2)	–	–	–
Additions (refer to note 36.7)	2 811	9 407	12 000
Amortisation	(6 022)	(28 781)	(5 421)
Impairments (refer to note 30)	(499)	–	(1 607 766)
Transfer to programming rights (refer to note 12)	–	(16 232)	–
Transfers	–	–	88
Carrying value at the end of the year	12 051	190 569	7 176 970
Cost	430 804	419 326	19 262 073
Accumulated amortisation and impairments	(418 753)	(228 757)	(12 085 103)
	12 051	190 569	7 176 970
2024			
Carrying value at the beginning of the year	16 093	187 655	11 487 835
Cost	421 036	377 002	19 237 088
Accumulated amortisation and impairments	(404 943)	(189 347)	(7 749 253)
Additions (refer to note 36.7)	6 957	47 401	12 897
Amortisation	(7 289)	(10 629)	(6 940)
Impairment (refer to note 30)	–	–	(2 715 723)
Transfer to programming rights (refer to note 12)	–	–	–
Transfers	–	1 748	–
Carrying value at the end of the year	15 761	226 175	8 778 069
Cost	427 993	426 151	19 249 985
Accumulated amortisation and impairments	(412 232)	(199 976)	(10 471 916)
	15 761	226 175	8 778 069

* Internally generated intangible assets.

Amortisation expenses relating to the Group's media and broadcasting operations, totalling R29 million (2024: R11.0 million), have been included in other operating expenses and income in the statement of profit or loss. All other amortisation expenses relating to intangible assets are included in the depreciation and amortisation balance in the statement of profit or loss.

Management contracts R'000	Programming completed* R'000	Programming under development* R'000	Trade-marks R'000	Customer-related intangible assets R'000	Total R'000
88	–	81 000	169	20 278	9 121 540
–	–	–	–	18 454	18 454
–	–	8 000	38	240	32 496
–	–	–	(8)	(1 820)	(42 052)
–	–	–	–	–	(1 608 265)
–	–	–	–	–	(16 232)
(88)	–	–	–	–	–
–	–	89 000	199	37 152	7 505 941
–	132 902	89 000	51 724	56 060	20 441 889
–	(132 902)	–	(51 525)	(18 908)	(12 935 948)
–	–	89 000	199	37 152	7 505 941
88	87 214	60 450	176	22 110	11 861 621
88	134 650	60 450	51 686	37 366	20 319 366
–	(47 436)	–	(51 510)	(15 256)	(8 457 745)
–	–	20 550	–	–	87 805
–	–	–	(7)	(1 832)	(26 697)
–	–	–	–	–	(2 715 723)
–	(85 466)	–	–	–	(85 466)
–	(1 748)	–	–	–	–
88	–	81 000	169	20 278	9 121 540
88	132 902	81 000	51 686	37 366	20 407 171
–	(132 902)	–	(51 517)	(17 088)	(11 285 631)
88	–	81 000	169	20 278	9 121 540



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

5. INTANGIBLE ASSETS – OTHER continued

Useful lives

The following estimated useful lives were used in the calculation of amortisation:

	Estimated useful life	Average remaining useful life as at 31 March 2025
Bid costs with limited useful lives	10 to 13 years	–
Computer software	2 to 10 years	less than 10 years
Distribution rights – factuals*	10 years	4 years
– movies*	Period of economic life**	
Licences with expiry date	12 to 30 years	less than 16 years
Programming completed	Period of economic life**	
Trademarks with limited useful lives	5 to 25 years	less than 5 years
Customer-related intangible assets	20 years	11 – 20 years

* Distribution rights represent multi-territory and multi-platform programming rights that the Group is able to onsell to other content acquirers in the media industry.

** Movie distribution rights and completed programming represent content available to be licensed to broadcasters. The amortisation method is consistent with the amount received for individual titles licensed to broadcasters.

There were no significant changes made to useful lives or residual values of intangible assets during the year.

Impairment of intangible assets

The Group recognised impairments totalling R1 608 million (2024: R2 716 million) on its intangible assets during the year.

Gaming segment

Casino licences and bid costs with a carrying value of R7 078 million (2024: R8 661 million) are considered to have an indefinite life, are not amortised and are tested annually for impairment.

The current-year growth in profitability of the Group's gaming operations was subdued. The revised assumptions and inputs used, as detailed in note 3 and below, resulted in the Group recognising impairments of R1 583 million (2024: R2 716 million) in respect of the casino precincts as presented in the table below. This can mainly be attributed to the projected cash flows for these precincts being less positive than previously anticipated due to a decline in trading for reasons as explained in note 3.

The recoverable amounts of individual casino licences and bid costs were determined with reference to their value in use as part of the CGU to which it relates. The values in use of individual CGUs were determined using pre-tax cash flow projections and the following significant unobservable inputs:

- expected gaming win and other income fluctuates between an increase of 10.6% and a decrease of 1.8% in the 2026 financial year and thereafter increases by 4.3% over the following years (2024: expected gaming win and other income levelled out to normal trading growths of 4% from 2026);
- operating expenditure fluctuates between increases of 0.2% and 8.7% in the 2026 financial year and thereafter increases by 4.5% over the following years (2024: expected operating expenditure levelled out to normal trading growths of 5% from 2026);
- risk-adjusted pre-tax discount rate of 18.1% – 20.3% (2024: 19.5% – 21.3%); and
- long-term growth rate of 4.5% (2024: 5%).



5. INTANGIBLE ASSETS – OTHER continued

Gaming segment (continued)

The following casino licences were impaired during the year:

	2025 R'000	2024 R'000
Montecasino	(589 942)	(1 009 299)
Gold Reef City	(454 116)	(285 272)
The Ridge	(154 836)	(124 710)
Emnotweni	(123 112)	(70 401)
Garden Route	(122 334)	(30 534)
Blackrock	(38 770)	(11 393)
Mykonos	(100 156)	–
Silverstar	–	(173 440)
Suncoast	–	(719 479)
Golden Horse	–	(291 198)
	(1 583 266)	(2 715 726)

The impairment assessments performed on the Group's gaming CGUs further indicated that the Hemingways, Goldfields and Caledon Casino Precincts should be impaired by R16 million (2024: R80 million), R21 million and R52 million, respectively, most significantly as a result of the continued decline in trading. These impairments were recognised on an apportionment basis over the assets of the CGU, since the precinct either did not have any intangible assets with indefinite lives allocated to it, or these intangible assets have been fully impaired by 31 March 2024. The impairments were consequently allocated to the CGU's property, plant and equipment as detailed in note 1. Impairments totalling R25 million (2024: Rnil) were recognised on bingo gaming licences due to the closure of certain sites during the year under review.

A sensitivity analysis was performed on the key assumptions used in the value-in-use calculations and it was concluded that further impairments may be recognised in respect of certain CGUs, given a possible change in any one assumption. An increase in discount rates of 1% may result in further impairments to casino licences and bid costs of R1 114 million (2024: R1 406 million) and further impairments of R21 million (2024: R34 million) on property, plant and equipment. A decrease in long-term growth rate of 1% may result in further impairments to casino licences and bid costs of R726 million (2024: R994 million) and further impairments of R15 million (2024: R27 million) on property, plant and equipment.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

Set out below are the associates and joint ventures which, in the opinion of the directors, are material to the Group. The entities listed below are all registered in South Africa, which is also their principal place of business, unless otherwise stated. The share capital of these entities consists solely of ordinary shares, which are held directly and indirectly by the Group and the proportion of ownership interest is the same as the proportion of voting rights held, unless otherwise stated.

Name of associate or joint venture	Principal activity	Functional currency	Group interest		Group		Company	
			2025 %	2024 %	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Impact Oil & Gas Limited (IOG) ¹	Oil and gas exploration	USD	–	49.9	–	3 336 533	–	–
Platinum Group Metals Limited (PGM) ²	Mineral properties exploration and development	USD	25.9	26.3	570 985	609 750	–	–
Southern Sun Limited (SS) ³	Hotel and leisure	ZAR	44.9	44.8	4 972 772	3 846 267	–	566 986
Other associates and joint ventures ⁴					164 063	139 590	–	–
					5 707 820	7 932 140	–	566 986
Market valuation (level 1 fair value measurement)								
– Platinum Group Metals Limited					611 801	598 998	–	–
– Southern Sun Limited					5 002 040	3 020 685	–	701 219

¹ On 19 July 2024 the Group acquired additional shares in IOG, increasing its shareholding to 51.4% and gaining control of the company as a result (refer to note 8).

² The company is incorporated in Canada and its principal investment is in South Africa.

³ The Group has exercisable voting rights of 44.9% (2024: 44.8%) and an economic interest of 41.3% (2024: 41.5%) at year-end. Voting rights are higher than the economic interest as a result of the HCI Foundation's 3.6% (2024: 3.3%) interest in SS. The Group has effective control of the Foundation based on the terms of its trust deed, without any economic interest therein (refer to note 8).

⁴ Current-year profits from continuing operations include equity-accounted earnings of R1 million (2024: equity-accounted earnings of R12 million) relating to these entities. A list of these associates and joint ventures is available for inspection at the Company's registered office.

Assessing significant influence or control of associates and joint ventures

The conclusion regarding control or significant influence relating to associates and joint ventures is reassessed on an annual basis. In performing this assessment, the directors determine whether or not the Group has control over the respective investee based on whether the Group has the practical ability to direct the significant activities unilaterally. In making this assessment, the following factors were considered:

- the Group's shareholding in the investee relative to other investors;
- the relative size of and concentration of other shareholders;
- the inability of the Group to unilaterally appoint the majority of board members of the investee;
- the absence of related key management between the Group and the investee;
- composition of the investee's board and board appointees of the Group; and
- the lack of any contractual or legal rights conferred upon the Group by the investee or any other shareholder of the investee to direct its activities.

After considering the aforementioned factors, it was concluded that the Group does not control any of its associates or joint ventures at the reporting date.

6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Reconciliation of carrying value				
At the beginning of the year	7 932 140	6 465 307	566 986	546 986
Additional investment in shares	11 661	1 322 113	–	20 000
Disposals	–	(64 736)	(566 986)	–
Changes in holdings (refer to note 28)	(53 517)	203 563	–	–
Business combinations (refer to note 43.2)	428 830	–	–	–
Fair value adjustment on date of gaining control	4 547 307	–	–	–
Deemed disposal on gaining control (refer to note 43.2)	(7 687 117)	–	–	–
Net loans repaid	–	(20 897)	–	–
Equity-accounted earnings/(losses)	77 439	(171 751)	–	–
Equity-accounted other comprehensive (losses)/income	(8 986)	26 700	–	–
Equity-accounted changes to equity	(23 961)	(3 257)	–	–
Dividends	(82 085)	(5 000)	–	–
Foreign exchange differences	(171 298)	283 073	–	–
Impairments (refer to note 31)	(5 951)	(13 181)	–	–
Impairment reversals (refer to note 29)	706 362	–	–	–
Amounts written-off	(1 074)	–	–	–
Interest accrued on loans	–	12 997	–	–
Reclassification of loans to trade and other receivables	–	(102 791)	–	–
Shares in associate received as donation*	38 070	–	–	–
At the end of the year	5 707 820	7 932 140	–	566 986

* The HCI Foundation, a subsidiary of the Group, received a donation of SS shares during the current year. The donation was accounted for at the fair value of the shares received.

Additional investments in associates and joint ventures

Current-year additions of R12 million most significantly include a 25% investment in Runn Media Labs Private Limited by the Group's media operations. In the prior year the Group invested R1 250 million in IOG to fund the company's drilling programme in Namibia and a further R48 million in PGM, while the Company invested an additional R20 million in SS shares.

Disposal of interest in associates and joint ventures

The Company sold its investment in SS to TIH Prefco (RF) Proprietary Limited (TIH Prefco), one of its wholly-owned subsidiaries, for a total consideration of R1 244 million during the year. The transaction formed part of the Company's debt restructure as explained in note 8 and Annexure A, with TIH Prefco settling the consideration payable by way of a share issue to the Company. The consideration was determined with reference to the listed share price of SS, with the Company recognising a gain on disposal of R677 million as set out in note 28.

In the prior year the Group disposed of its 10% interest in Karoshoek Solar One (RF) Proprietary Limited for R351 million. This resulted in a gain on disposal of R287 million and R94 million, respectively, being recognised by the Group and the Company and hedging reserves totalling R4 million being reclassified to the statement of profit or loss by the Group (refer to notes 16 and 28).

Changes in holdings

The Group recognised losses of R54 million (2024: gains of R204 million) on changes in holdings of equity-accounted investments during the current year, all of which were included in the investment surplus balance in the statement of profit or loss (refer to note 28). A loss of R86 million was recognised in respect of a 1.5% dilution of the Group's interest in IOG, following the exercise of share options by IOG employees. The Group's interest in SS increased by 0.1% during the year, most significantly as a result of SS shares being donated to HCI Foundation, a subsidiary of the Group. This change in holding resulted in a gain of R33 million being recognised by the Group.

Prior-year gains of R204 million primarily relate to a 4% increase in the Group's interest in SS following share buy-backs by the investee.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

Deemed disposal of equity-accounted investments on gaining control

On 19 July 2024 the Group acquired additional shares in IOG for a purchase consideration of R454 million. As a result, the Group increased its shareholding in IOG to 51.4% and gained control of the strategy and operations of the company (refer to notes 8 and 43.2). The Group's existing investment in IOG was fair valued at R7 481 million on the date of gaining control, with a fair value gain of R4 550 million being recognised in the statement of profit or loss as a result. Foreign currency translation reserves totalling R842 million were reclassified to the statement of profit or loss as a result of the deemed disposal and included in the investment surplus balance (refer to notes 16 and 28).

Africa Energy Corp. (AEC) became an associate of the Group through the acquisition of IOG on 19 July 2024, and was fair valued at R401 million on date of acquisition (refer to note 43.2). The Group recognised AEC losses totalling R70 million through the equity-accounted losses of IOG, prior to the acquisition of that company. The Group recognised a further R192 million of equity-accounted losses in respect of AEC from the date of IOG's acquisition to the reporting date, bringing the total of AEC losses recognised by the Group to R262 million for the year.

On 31 March 2025 the Group acquired additional shares in AEC for R225 million, following which it controlled 58.2% of the company's voting rights (refer to notes 8 and 43.2). The Group's existing investment in AEC was fair valued at R206 million on the date of gaining control, with a fair value loss of R3 million being recognised in the statement of profit or loss.

Included in AEC's net assets at date of acquisition, was an investment in Main Street 1549. A small portion of this investment was recognised as an equity investment in associate with a fair value of R28 million at date of acquisition, while the majority of the investment was recognised as a non-current financial asset with a fair value of R713 million (refer to note 43.2). Details on this investment and its accounting treatment are provided in note 7.

Other comprehensive income and equity of associates and joint ventures

The Group recognised equity-accounted other comprehensive losses totalling R9 million (2024: income of R27 million) during the current year. Other comprehensive losses of associates and joint ventures primarily relate to movements in its foreign currency translation reserves.

The Group's share of other direct equity movements of associates and joint ventures, totalling R22 million (2024: R26 million) during the current year, has been included in the statement of changes in equity. Other equity movements recognised most significantly relate to share-based payment reserves of associates and joint ventures.

Impairments and impairment reversals

Current-year impairments totalling R6 million (2024: R13 million) relate to the Group's interest in H2AU Limited, a company incorporated in the United Kingdom (refer to note 31).

The Group reversed the impairment of its investment in SS by R706 million during the year, as set out in note 29. SS's trading continued to improve during the current year, which served as an indicator that the carrying value of the investment should be reassessed for a possible reversal of the impairment previously recognised. The recoverable amount of the investment was determined with reference to its value in use, which was higher than its fair value less cost of disposal, by applying the discounted cash flow valuation method. Pre-tax cash flow projections as prepared by management, together with the significant unobservable inputs as detailed below, were used in the value-in-use calculations:

- expected revenue increases by between 1.7% and 6.8% between 2026 and 2030 (2024: revenue increased by between 5.3% and 8.2% between 2025 and 2029);
- operating expenditure increases on average by 5.4% between 2026 and 2030 (2024: operating expenditure increased on average by 6.8% between 2025 and 2029);
- risk-adjusted pre-tax discount rate of 18.0% (2024: 19.7%); and
- long-term growth rate of 4.5% (2024: 4.5%).

The fair value less cost of disposal was calculated using the 30-day volume weighted average share price.

6. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES continued

The summarised financial information in respect of the Group's principal associates and joint ventures is set out below:

	Impact Oil & Gas Limited As at 19 July 2024/for the period ended 19 July 2024/as at 31 December 2023/for the year ended 31 December 2023		Platinum Group Metals Limited As at 28/29 February/for the period ended 28/29 February		Southern Sun Limited As at 31 March/for the period ended 31 March	
	2024 R'000	2023 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Summarised statement of financial position						
Total non-current assets	–	4 480 164	853 714	823 329	17 316 949	17 098 318
Total current assets	–	1 456 505	33 078	116 691	1 019 795	1 240 693
Total non-current liabilities	–	(665)	(25 485)	(21 936)	(3 841 029)	(5 076 526)
Total current liabilities	–	(829 787)	(12 626)	(7 559)	(1 695 476)	(1 362 431)
Non-controlling interest	–	–	(429 720)	(426 689)	23 963	17 209
Net assets attributable	–	5 106 217	418 961	483 836	12 824 202	11 917 263
Reconciliation to carrying amounts:						
Opening net assets	5 106 217	3 373 240	483 836	517 066	11 917 263	11 609 086
Deemed disposal of associates and joint ventures on gaining control	(4 622 274)	–	–	–	–	–
(Loss)/profit for the period/year	(343 092)	(1 058 044)	(81 717)	(97 889)	1 026 044	857 469
Other comprehensive (loss)/income	(169 882)	209 452	2 627	426	(31 981)	81 010
Other equity movements	29 031	2 581 569	14 215	64 233	80 018	(630 302)
Dividends paid	–	–	–	–	(167 142)	–
Closing net assets attributable to owners	–	5 106 217	418 961	483 836	12 824 202	11 917 263
Group's share in %	–	49.9%	25.9%	26.3%	41.3%	41.5%
Non-controlling interests' share in %	–	–	–	–	3.6%	3.3%
Group's share in R'000	–	2 548 002	108 469	127 249	5 291 266	4 942 089
Non-controlling interests' share in R'000	–	–	–	–	464 236	393 270
Impairments	–	–	–	–	(782 730)	(1 489 092)
Goodwill	–	788 531	462 516	482 501	–	–
Carrying value of investments in associates and joint ventures	–	3 336 533	570 985	609 750	4 972 772	3 846 267
Summarised statement of comprehensive income						
Revenue	–	–	–	–	6 336 793	5 818 207
(Loss)/profit for the period/year	(343 092)	(1 058 044)	(81 717)	(97 889)	1 023 816	857 577
Other comprehensive (loss)/income	(169 882)	209 452	2 627	426	(35 477)	82 665
Total comprehensive (loss)/income	(512 974)	(848 592)	(79 090)	(97 463)	988 339	940 242
Dividends received from associates and joint ventures	–	–	–	–	74 770	–
Share of associates' and joint ventures' (losses)/profits for the year	(170 963)	(528 175)	(21 394)	(25 118)	461 341	369 787

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

7. OTHER FINANCIAL ASSETS

	Group	
	2025 R'000	2024 R'000
Financial assets carried at fair value through profit or loss		
Equity securities	771 643	120 780
Listed	58 822	120 780
Unlisted	712 821	–
Unit trust investments	440 099	417 112
	1 211 742	537 892
Financial assets carried at fair value through other comprehensive income		
Equity securities	858 706	1 033 507
Listed	287 048	293 120
Unlisted	571 658	740 387
Other	40	40
	858 746	1 033 547
Amortised cost		
Cumulative redeemable preference shares	192 059	183 493
Derivative financial instruments		
Foreign currency exchange contracts	4 479	767
Interest rate swaps – cash flow hedges	–	10 719
	4 479	11 486
	2 267 026	1 766 418
Current portion	179 233	104 237
Non-current portion	2 087 793	1 662 181
	2 267 026	1 766 418

Financial assets carried at fair value through profit or loss (FVTPL)

Listed equity securities

Listed equity instruments carried at FVTPL comprise the Group's investment in Montauk Renewables Inc, a company listed on the Nasdaq Capital Market. The fair value of these shares was determined with reference to its quoted price of R38.80 per share at 31 March 2025 (2024: R79.66 per share), resulting in fair value losses totalling R60 million (2024: losses of R94 million) being recognised in profit or loss. These instruments are classified as level 1 fair value measurements (refer to note 44.3).

Unlisted equity securities

On 31 March 2025 the Group gained control of its associate investment, Africa Energy Corp. (AEC), as detailed in note 6. At the date of acquisition, AEC held a 49% interest and 100% of the Class B shares in Main Street 1549 Proprietary Limited (Main Street), a private company which holds a 10% participating interest in the exploration right for Block 11B/12B off the south coast of South Africa. Arostyle Investments (RF) Proprietary Limited (Arostyle) held the remaining 51% interest in Main Street by the reporting date.

In accordance with an agreement entered into with Arostyle, AEC funds 100% of Main Street's funding requirements related to the Block 11B/12B gas prospect by way of Class B share subscriptions. The Class B shares earn a risk-adjusted return linked to the proceeds on any future sale of Main Street or its interest in Block 11B/12B and hold priority dividend distribution rights in accordance with the Main Street shareholders' agreement (SHA). The returns on these shares do not give rise to contractual cash flows that are solely payments of principal and interest. The majority of AEC's investment in Main Street was consequently recognised as a non-current financial asset at FVTPL, with a fair value of R713 million at the date of acquisition (refer to note 43.2). The Group's investment in Main Street's ordinary shares was recorded as an equity investment in associate, as detailed in note 6.

This investment is classified as level 3 fair value measurements as set out in note 44.3. The fair value of the financial asset was determined by estimating the priority dividend distributions to be received from Main Street in accordance with the SHA. The total proceeds estimated to be received by Main Street, and distributed to its shareholders, were based on a discounted future cash flow model of the company's Block 11B/12B participating interest. The Group applied a pre-tax discount rate of 22.9%, a base gas price of US\$8.45/mmbtu and a base Brent oil price of US\$70.00/bbl in determining the fair value. In the current year the Group effectively recognised R248 million of fair value losses in respect of Main Street through its investment in IOG, as detailed in note 6.

An increase of 1% in the effective discount rate would have resulted in a R192 million reduction in the fair value of the financial asset, while a 1% decrease in the effective discount rate would increase the fair value by R227 million. A US\$1/mmbtu increase/decrease in the gas price would result in an increase of R269 million or a decrease of R280 million, respectively, while a US\$5/bbl increase/decrease in the Brent oil price would increase/decrease the fair value by R82 million.

7. OTHER FINANCIAL ASSETS continued

In accordance with the Block 11B/12B farm-in agreements Main Street previously entered into with each of Total E&P South Africa BV (Total), a wholly-owned subsidiary of TotalEnergies, and CNR International (South Africa) Limited (CNR), a wholly-owned subsidiary of Canadian Natural Resources Limited, in the event of a commercial discovery and granting of a production right, Main Street will be obligated to fund a discovery bonus. If the proposed development is for exploitation of predominantly oil, Main Street will be obligated to pay Total and CNR up to US\$90.0 million (an estimated R1 650 million) depending on the amount of reserves at that time. If the proposed development is for exploitation of gas, Main Street will be obligated to pay Total and CNR up to US\$24.0 million (an estimated R440 million) depending on the amount of reserves at that time. The Group may be required to provide suitable guarantees to support this discovery bonus obligation. By the reporting date no guarantees have been required or provided to support the discovery bonus obligation and Main Street has not accrued for any obligations related to the commercial discovery bonus.

Unit trust investments

Cash which is restricted in terms of the trust deed of the HCI Khusela Rehabilitation Trust to be utilised exclusively for the rehabilitation of the Palesa Mine, together with surplus funds held by certain subsidiaries, have been invested in unit trusts. The Group realised unit trust investments with a fair value of R15 million during the year. The Group's unit trust investments are classified as level 2 fair value measurements, as presented in note 44.3. The fair value of these investments is determined with reference to the net asset value of the fund, which is driven by the fair values of the underlying investments. The Group recognised fair value gains totalling R38 million (2024: gains of R28 million) in its profit or loss in respect of these investments during the year.

Equity securities carried at fair value through other comprehensive income (FVOCI)

Equity instruments carried at FVOCI comprise investments which are not held for trading and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments comprising the following:

Listed securities

Listed equity instruments valued at R273 million at year-end (2024: R287 million) comprise the Group's investment in City Lodge Hotels Limited, a company listed on the Johannesburg Stock Exchange. The fair value of these shares was determined with reference to its quoted price of R4.02 per share at 31 March 2025 (2024: R4.22 per share), resulting in a fair value loss totalling R14 million (2024: loss of R7 million) being recognised in other comprehensive income. These instruments are classified as level 1 fair value measurements (refer to note 44.3).

The Deneb group holds investments in listed shares valued at R14 million (2024: R6 million) at 31 March 2025, which includes a further investment of R14 million and disposal of shares with a fair value of R4 million during the year. These investments are classified as level 1 fair value measurements, as detailed in note 44.3.

Unlisted securities

Previously the Group entered into a transaction with Sun International Limited (SI) and Grand Parade Investments Limited for the acquisition of a 20% equity interest in each of SunWest International Proprietary Limited (SunWest) and Worcester Casino Proprietary Limited (Worcester). The Group has pre-emptive rights but no representation on the board of directors of either company and has no operational responsibilities. The Group also has no access to any information regarding the companies except for that to which it has statutory rights as a shareholder. These investments are classified as level 3 fair value measurements, as presented in note 44.3.

At the end of each reporting period the investments are remeasured and the increase or decrease recognised in other comprehensive income. The assets have been remeasured to R553 million at 31 March 2025 (2024: R724 million), with discounted cash flow valuation techniques used to estimate the fair values. The valuation model considers the present value of net cash flows to be generated from SunWest and Worcester, together with their operating capital expenditures, taking into account expected growth in net gaming win and other revenue generated from non-gaming-related activities. These cash flow forecasts are aligned to the financial reporting periods of the respective entities, being 12 months to December each year.

The expected net cash flows are discounted using a post-tax risk-adjusted discount rate. Among other factors, the discount rate estimation considers risks associated with the gaming, hospitality and entertainment industry in which SunWest and Worcester operate. The Group recognised a fair value loss of R171 million (2024: loss of R235 million) in respect of these investments during the current year. The decrease in the estimated fair value is mainly driven by the Western Cape gaming win growths being lower than anticipated, together with a lower long-term growth rate as mentioned in note 3, partially off-set by a lower discount rate as a result of interest rate decreases, including a decreased risk-free rate.

The significant unobservable inputs used in the fair value measurement of the Group's investment in SunWest and Worcester are as follows (based on the entities' December financial year-ends):

- income increases by 4% for the 2025 financial year and thereafter (2024: income levelled out to growths of 4% from 2025);
- operating expenditure increases by 4.5% for the 2025 financial year and thereafter, maintaining margins (2024: operating expenditure levelled out to increases of 4% from 2025, maintaining margins);
- post-tax risk-adjusted discount rate of 14.5% (2024: 15.8%); and
- long-term growth rate of 4.5% (2024: 5%).

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

7. OTHER FINANCIAL ASSETS continued

The table below indicates the sensitivities of the valuation, and consequently the potential impact on other comprehensive income, should the above inputs be increased or decreased by 1%:

	2025		2024	
	Increase R'000	Decrease R'000	Increase R'000	Decrease R'000
Expected gaming win growth	66 872	(60 643)	62 296	(60 608)
Operating expenditure growth	(38 839)	41 803	(57 334)	54 562
Risk-adjusted discount rate	(54 703)	66 987	(64 356)	77 463
Long-term growth rate	49 744	(40 635)	56 193	(46 663)

The Deneb group holds an investment in unlisted shares with a fair value of R19 million (2024: R17 million) at 31 March 2025. These instruments are classified as level 3 fair value measurements, as set out in note 44.3.

Cumulative redeemable preference shares at amortised cost

The Group's investment in the preference shares of Retail Africa Fund, totalling R117 million (2024: R108 million) at year-end, is redeemable on 8 October 2025 and classified as stage 1 performing current assets at 31 March 2025. Dividends accrue at 73% of the prime rate of interest and are paid quarterly for periods ending June, September, December and March. The Group managed its exposure to credit risk in respect of these receivables by obtaining securities from the issuer of the preference shares. There was no significant increase in credit risk relating to these instruments during the year and the fair value of the securities provided exceeds the total carrying value of the investment at year-end. No expected credit losses have therefore been recognised by the Group.

The Group holds a R75 million (2024: R75 million) investment in the preference shares of one of its associates, Alphawave Golf Proprietary Limited (Alphawave), at year-end. The terms of the preference shares were amended on 1 May 2024 and, as a result, preference shares with a carrying value of R30 million are now redeemable in stages between 30 April 2025 and 30 April 2030 (2024: R30 million redeemable in full on 24 February 2025), while the remaining R45 million is now redeemable in stages between 30 April 2030 and 30 April 2032 (2024: redeemable between 24 February 2026 and 18 May 2028). From 1 May 2024 dividends accrue on a cumulative basis, compounded monthly in arrears at a rate of 20%, as detailed in note 10 (2024: paid monthly at the prime rate of interest plus 4%). The Group is represented on Alphawave's board of directors and senior management are consequently in a position to monitor the cash flows of the investee. It was concluded that the Group does not have significant credit risk exposure in respect of these receivables and no expected credit losses were therefore recognised.

Fair value of put option

In terms of the gaming group's acquisition agreement of the SunWest and Worcester interests mentioned above, in the event that any party acquires 35% or more of the issued ordinary shares of SI, triggering a change in control of the SI group, the Group may elect to put its equity interests in SunWest and Worcester to SI. SI can elect to either settle the put option by the issue of new ordinary shares in SI and/or for a cash consideration, based on the aggregate value of the Group's interest in SunWest and Worcester. No derivative has been recognised as the fair value of the option is Rnil at 31 March 2025 (2024: Rnil).

Interest rate swaps

The Group's gaming operations managed interest rate risk by using floating-to-fixed interest rate swaps during the prior year and up to May in the current year, when these instruments matured. Interest rate swaps have the economic effect of converting floating rate borrowings to fixed rates. The difference between fixed contract rates and floating rate interest amounts is calculated with reference to an agreed interest rate applied to agreed notional principal amounts and settled at specified intervals (mainly quarterly). The Group recognised a R7 million credit (2024: R39 million credit) in finance costs and a R11 million inflow (2024: R36 million inflow) in the cash flow statement in respect of these instruments during the year (refer to note 36.3).

Hedge accounting was applied to the Group's interest rate swaps. For effective hedges, gains and losses were recognised in the hedging reserve directly in other comprehensive income (after tax) while gains and losses on ineffective hedges were recognised immediately in profit or loss. The Group recognised a debit of R15 million (2024: debit of R79 million), representing the effective portion of the cash flow hedge, in other comprehensive income during the current year. Amounts accumulated in equity were reclassified to profit or loss in the periods when the hedged item affected profit or loss. During the year a total of R2 million (2024: R54 million) was reclassified from other comprehensive income to profit or loss and included in finance costs (refer to notes 32 and 36.3).

The Group's interest rate swaps, with a fair value of R11 million at the end of the prior year, all matured on 31 May 2024. The notional amounts of outstanding interest rate swap contracts at 31 March 2024 were:

	Group 2024 R'000
Tsogo Sun Proprietary Limited linked to the three-month JIBAR of 8.37%	
With a fixed rate of 7.135% maturing 31 May 2024	700 000
With a fixed rate of 7.095% maturing 31 May 2024	560 000
With a fixed rate of 7.145% maturing 31 May 2024	2 240 000
	<u>3 500 000</u>



	Company	
	2025 R'000	2024 R'000
8. SUBSIDIARY COMPANIES		
Shares at cost less impairment	21 111 274	13 819 525
Non-current amounts owing from subsidiary companies (net of impairment)	2 649 849	4 591 313
	23 761 123	18 410 838
Amounts owing to subsidiary companies	(337 752)	(1 111 365)
	23 423 371	17 299 473

Investments in subsidiary company shares

The Company concluded a debt refinancing agreement with its central debt providers during the current year. As part of the debt restructure, the Company sold its interests in a number of subsidiary companies (including all listed subsidiaries) to TIH Prefco (RF) Proprietary Limited (TIH Prefco), a wholly-owned subsidiary of the Company. These investments were sold on loan account or in exchange for shares in TIH Prefco and no cash flowed as a result of these disposals. Gains, totalling R2 903 million, were recognised by the Company in respect of these disposals and included in its current-year profit or loss as set out in note 28. These gains most significantly include R3 350 million, R439 million and R337 million in respect of HCI Invest 14 Proprietary Limited, HCI Treasury Proprietary Limited and Frontier Transport Holdings Limited, off-set by losses of R630 million and R485 million on the disposal of the Company's shares in Tsogo Sun Limited and eMedia Holdings Limited, respectively. Further details are provided in Annexure A to this report.

The Company utilised R551 million of its Rand Merchant Bank (RMB) facility to purchase shares in TIH Prefco during the year. TIH Prefco subsequently settled the R551 million owing to RMB on behalf of the Company, resulting in a non-cash movement of R551 million in the Company's intergroup loan payable to TIH Prefco.

Impairments of R146 million (2024: R984 million) were recognised in respect of the Company's investments in subsidiary company shares during the year. Where an indicator of impairment was identified, the recoverable amount of the investment was determined. Fulela Trade and Invest 96 Proprietary Limited, a wholly-owned subsidiary of the Company, is in the process of being liquidated with no net assets available for distribution. The carrying value of this investment, totalling R146 million, has consequently been impaired in full. There were no other indicators of impairment or impairment reversal in respect of the Company's remaining investments at the reporting date.

Prior-year impairments can most significantly be ascribed to the subdued growth in profitability of the Group's gaming operations, impacting the recoverable amount of the investment and that of its investment holding company, while the impairment reversal on the Group's transport operations was mainly due to continued growth of its business combined with a steady rise in share price.

The Company recognised the following (impairments)/impairment reversals on subsidiary company shares as set out in notes 31 and 29, respectively:

Name of subsidiary	Company	
	2025 R'000	2024 R'000
Fulela Trade and Invest 96 Proprietary Limited	(146 294)	–
TIH Prefco (RF) Proprietary Limited	–	(748 187)
Tsogo Sun Limited	–	(235 464)
Frontier Transport Holdings Limited	–	319 580
	(146 294)	(664 071)

Loans granted to subsidiaries

During the current year, and as part of the Company's debt restructure mentioned above, a subsidiary loan receivable with a carrying value of R201 million, net of impairment, was sold at its face value of R648 million to a wholly-owned subsidiary of the Company. A gain on disposal, totalling R447 million, was consequently recognised and included in the Company's current-year profits as set out in note 28.

Amounts owing from subsidiary companies are interest free and payable on demand. At the reporting date the Company had no intention of calling on any of its subsidiaries to settle their outstanding loan balances within the next 12 months and these loans have therefore all been classified as non-current receivables.

A loan is considered to be in default when there is evidence that the borrower is in significant financial difficulty such that it will have insufficient funds to repay the loan on demand. This is assessed based on a number of factors, including various liquidity and solvency ratios.

A significant increase in credit risk (SICR) assessment is performed qualitatively by reference to the borrower's cash flow and liquid asset position. The risk that the subsidiary will default on an on-demand loan depends on whether it has sufficient cash or other liquid assets to repay the loan immediately, resulting in the risk of default being assessed as either low (possibly close to 0% and classified as stage 1) or high (possibly close to 100% and classified as stage 3). At 31 March 2025 the Company had gross subsidiary loan receivables totalling R2 482 million (2024: R4 255 million) classified as stage 1 loans, R426 million (2024: R580 million) classified as stage 2 loans and R323 million (2024: R580 million) classified as stage 3 loans. Expected credit losses (ECLs) recognised in respect of each category of loans are presented in the table below.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

8. SUBSIDIARY COMPANIES continued

Loans granted to subsidiaries continued

A loan is considered to be credit impaired if it meets the definition of a defaulted loan. Loans to subsidiary companies are written off (i.e. derecognised) when there is no reasonable expectation of recovery. The Group's intention to liquidate an entity or when an entity no longer has any assets available to settle its debt, amongst others, are considered indicators of no reasonable expectation of recovery. In terms of the impairment requirements of IFRS 9 *Financial Instruments*, the Company uses forward-looking information to recognise ECLs on loans receivable, resulting in ECLs totalling R581 million (2024: R823 million) being recognised on specific amounts owing from subsidiaries as at 31 March 2025. These loans were considered to have a higher credit risk profile and were therefore provided for on a one-on-one basis. Forward-looking information used in the assessment of ECLs included the budgets of individual subsidiaries, with due consideration given to the macroeconomic factors detailed in note 3. The remaining balances owing from subsidiaries do not expose the Company to significant credit risk and no significant losses from non-performance by these counterparties are anticipated at the reporting date.

Movements in the allowance for ECLs on loans to subsidiary companies are as follows:

	Stage 2 R'000	Stage 3 R'000	Total R'000
2025			
Loss allowance as at 1 April	242 934	580 232	823 166
Loss allowance recognised on specific loan balances during the year (refer to note 31)	85 074	189 623	274 697
Loss allowance unused and reversed during the year (refer to note 29)	(69 650)	–	(69 650)
Loss allowance derecognised on disposal of loan balances (refer to note 28)	–	(446 990)	(446 990)
Loss allowance as at 31 March	258 358	322 865	581 223
2024			
Loss allowance as at 1 April	377 993	207 369	585 362
Loss allowance recognised on specific loan balances during the year (refer to note 31)	–	383 988	383 988
Loss allowance unused and reversed during the year (refer to note 29)	(135 059)	(11 125)	(146 184)
Loss allowance as at 31 March	242 934	580 232	823 166

Interests in subsidiaries

Set out below are the Group's principal subsidiaries at year-end. These entities are all registered in South Africa, which is also their principal place of business, unless otherwise stated. The share capital of these subsidiaries consists solely of ordinary shares, which are held indirectly by the Group.

Name of subsidiary	Principal activities	Functional currency	Effective interest held by the Group		Exercisable voting rights	
			2025 %	2024 %	2025 %	2024 %
Tsogo Sun Limited (Tsogo)*	Gaming	ZAR	50.0	50.1	50.0	50.1
eMedia Investments Proprietary Limited (eMedia)**	Media and broadcasting	ZAR	54.4	54.4	67.7	67.7
Deneb Investments Limited (Deneb)	Branded products and manufacturing	ZAR	84.2	84.8	84.2	84.8
Frontier Transport Holdings Limited (Frontier)**	Transport	ZAR	81.4	81.9	81.7	82.1
Impact Oil & Gas Limited (IOG)	Oil and gas prospecting	USD	51.5	***	51.5	***

* The Group controls the board of directors and the non-controlling shareholding is sufficiently fragmented for the Group to exercise control over the entity's strategy and operations.

** Investments held through various intermediary companies controlled by the Group, resulting in exercisable voting rights being in excess of effective economic interest.

*** The Group gained control of IOG on 19 July 2024 as detailed in notes 6 and 43.2. The company is incorporated in the United Kingdom which is also its principal place of business.

8. SUBSIDIARY COMPANIES continued

Changes in shareholding

The table below represents the amounts included in the statement of changes in equity and statement of cash flows resulting from changes in the HCI Group's shareholding in the following subsidiaries (including changes in subsidiary holdings as reported by these respective subsidiaries):

Name of subsidiary	Statement of changes in equity				Statement of cash flows
	Other reserves R'000	Accumulated profits R'000	Non-controlling interest R'000	Total R'000	Transactions with non-controlling shareholders R'000
2025					
Tsogo ¹	233	33 884	5 672	39 789	33 535
Deneb ²	(671)	(19 261)	14 501	(5 431)	(5 431)
Frontier ³	–	(9 186)	9 186	–	–
IOG ⁴	–	(4 719)	(14 083)	(18 802)	(18 802)
HCI – Sydney Road Proprietary Limited (Sydney Road) ⁵	–	(14 913)	(3 778)	(18 691)	–
Other ⁶	–	99	409	508	(298)
	(438)	(14 096)	11 907	(2 627)	9 004
2024					
Tsogo ¹	(842)	(50 638)	(58 151)	(109 631)	(109 631)
Deneb ²	20	(4 421)	(367)	(4 768)	(4 768)
Frontier ³	–	(3 300)	3 300	–	–
Other ⁶	–	221	(1 900)	(1 679)	(554)
	(822)	(58 138)	(57 118)	(116 078)	(114 953)

¹ The Tsogo group sold treasury shares for a total cash consideration of R34 million during the year, resulting in a marginal dilution of the Group's shareholding. Prior-year changes in holdings most significantly relate to the group's repurchasing of shares from its non-controlling shareholders for a total cash consideration of R88 million and its acquisition of the remaining non-controlling interests in one of its subsidiaries, Bet.co.za, for a cash consideration of R22 million.

² The Deneb group repurchased shares for a total cash consideration of R5 million (2024: R5 million) during the year, ahead of share options being exercised in terms of its employee share option scheme. The net effect of these changes in Deneb's issued share capital was a 0.6% decrease in the Group's shareholding.

³ The Group's shareholding in Frontier was diluted by 0.5% (2024: 0.2%) as a result of shares issued by the company in terms of its employee share option scheme during the year.

⁴ Subsequent to its acquisition on 19 July, the Group purchased additional shares in IOG for a cash consideration of R19 million, increasing its shareholding in the company by 0.1% as a result.

⁵ Loans to Sydney Road's non-controlling shareholder were settled by way of transferring all its shares in the company to the Group. Sydney Road became a wholly-owned subsidiary of the Group as a result.

⁶ Changes in subsidiary shareholdings that are not significant on an individual basis.

Non-controlling interests (NCIs)

The Group includes the following subsidiaries with NCIs that are material to the Group:

Name of subsidiary	Effective interest held by NCIs		Profits/(losses) allocated to NCI for the year		Accumulated NCI	
	2025 %	2024 %	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Tsogo	50.0	49.9	50 800	(148 765)	6 546 804	6 968 821
eMedia	45.6	45.6	140 273	161 122	1 228 450	1 152 333
Deneb	15.8	15.2	18 229	15 237	311 463	285 393
Frontier	18.6	18.1	78 536	75 393	420 026	359 251
IOG	48.5	–	(124 942)	–	4 882 864	–
Africa Energy Corp. (AEC)*	52.1	–	–	–	426 301	–
Other non-material NCIs			135 212	(9 197)	530 074	420 388
			298 108	93 790	14 345 982	9 186 186

* Investment held through various intermediary companies controlled by the Group, resulting in exercisable voting rights of 58.2% being in excess of the Group's effective economic interest. The Group gained control of AEC on 31 March 2025 as detailed in notes 6 and 43.2. The company is incorporated in Canada and its principal investment is in South Africa.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

8. SUBSIDIARY COMPANIES continued

Non-controlling interests (NCIs) continued

Set out below is summarised financial information for each subsidiary with NCIs that are material to the Group. The amounts disclosed for each subsidiary are before inter-company eliminations.

	Tsogo Sun Limited		eMedia Investments Proprietary Limited	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Summarised statement of financial position				
Non-current assets	24 868 484	26 700 025	1 666 803	1 642 463
Current assets	1 006 929	1 178 517	2 349 461	2 324 299
Disposal group assets held for sale	–	–	–	4 296
Non-current liabilities	(10 935 536)	(12 221 703)	(541 602)	(604 471)
Current liabilities	(2 172 781)	(1 302 999)	(861 578)	(856 874)
Disposal group liabilities held for sale	–	–	–	(1 765)
Net assets	12 767 096	14 353 840	2 613 084	2 507 948
Summarised statement of comprehensive income				
Revenue (including net gaming win)	10 960 063	11 328 745	3 155 470	3 059 299
Profit/(loss) for the year/period	125 972	(314 056)	307 495	353 199
Other comprehensive (loss)/income	(191 201)	(280 980)	–	–
Total comprehensive (loss)/income for the year/period	(65 229)	(595 036)	307 495	353 199
Dividends paid to NCIs	389 212	475 194	64 156	83 655
Summarised cash flows				
Cash flows from operating activities	1 353 425	1 417 117	310 943	147 018
Cash flows from investing activities	(792 857)	(918 201)	(242 537)	(136 007)
Cash flows from financing activities	(700 842)	(457 986)	(30 328)	17 890

* Post-acquisition results of IOG. The company's results prior to 19 July 2024 are set out in note 6.

** AEC was acquired on 31 March 2025 and its results for the Group's reporting period have therefore not been provided.

Significant restrictions

There are no significant statutory, contractual or regulatory restrictions on the Group's ability to access or use its assets and settle its liabilities.

There are no contractual arrangements in place for the provision of financial support to any of the Group's principal operating subsidiaries. No financial or other support has been provided during the reporting period, nor is there a current intention of providing such support to these entities.

Encumbrances

Details of the assets that serve as security for borrowings are presented in note 17.

Full details of subsidiary companies are provided in annexure A.

Deneb Investments Limited		Frontier Transport Holdings Limited		Impact Oil & Gas Limited*		Africa Energy Corp.**	
2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
2 077 897	2 159 008	1 922 416	1 719 868	13 095 745	–	740 447	–
1 373 452	1 283 154	857 582	606 420	839 370	–	87 415	–
93 800	115 000	–	–	–	–	–	–
(342 788)	(1 052 157)	(643 517)	(504 350)	(3 662 275)	–	–	–
(1 281 104)	(653 508)	(502 810)	(440 382)	(14 014)	–	(10 447)	–
–	–	–	–	–	–	–	–
1 921 257	1 851 497	1 633 671	1 381 556	10 258 826	–	817 415	–
3 612 488	3 373 021	3 035 042	2 605 820	–	–	–	–
120 814	97 257	387 337	394 452	(254 621)	–	–	–
2 508	17 071	426	2 761	–	–	–	–
123 322	114 328	387 763	397 213	(254 621)	–	–	–
6 617	6 655	27 026	102 182	717 936	–	–	–
48 100	151 831	222 974	(94 221)	(1 811 873)	–	–	–
69 665	(17 129)	(58 586)	(25 606)	1 693 850	–	–	–
(169 089)	(75 140)	(88 914)	(96 593)	(4 688)	–	–	–



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group	
	2025 R'000	2024 R'000
9. DEFERRED TAXATION		
Movements in deferred taxation		
At the beginning of the year	(4 472 890)	(5 114 588)
Property, plant and equipment	44 611	(34 402)
Intangible assets	429 494	734 208
Investment properties	(26 524)	(33 152)
Fair value remeasurements	(49 786)	2 774
Provisions and accruals	1 081	(63 167)
Assessed losses	753	36 580
Business combinations:		
Property, plant and equipment	(66)	–
Intangible assets	(3 650 200)	–
Provisions and accruals	170	–
Assessed losses	145	–
Operating lease equalisation assets	202	530
Deferred revenue and income	(1 277)	153
Right-of-use assets and lease liabilities (net)	(8 932)	(14 589)
Other	(13 025)	12 763
At the end of the year	(7 746 244)	(4 472 890)
Analysis of deferred taxation		
Property, plant and equipment	(2 296 397)	(2 340 942)
Intangible assets	(5 507 199)	(2 286 493)
Investment properties	(343 372)	(316 848)
Fair value remeasurements	(283 051)	(233 265)
Provisions and accruals	273 599	272 348
Operating lease equalisation assets	(32 706)	(32 908)
Deferred revenue and income	51 081	52 358
Assessed losses	442 987	442 089
Right-of-use assets and lease liabilities (net)	28 626	37 558
Other	(79 812)	(66 787)
	(7 746 244)	(4 472 890)
Composition of deferred taxation		
Deferred taxation assets	224 866	235 286
Deferred taxation liabilities	(7 971 110)	(4 708 176)
	(7 746 244)	(4 472 890)

Deferred tax assets of R225 million (2024: R235 million) have been recognised for tax losses carried forward and other temporary differences relating to certain subsidiaries within the Group. These assets have been recognised to the extent that the realisation of the related tax benefit through future taxable profits is probable and are therefore considered fully recoverable. An assessment of future taxable profits has been performed at the relevant subsidiary level based on its business plans and budgets.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
10. NON-CURRENT RECEIVABLES				
Financial instruments				
Loan to HCI Employee Share Trust (2001)	–	–	11 032	11 032
Amounts due by share scheme participants	1 036	1 036	–	–
Preference share dividends receivable (refer to note 7)	12 904	–	–	–
Other loans – net carrying value	30 822	45 551	–	–
Gross	31 958	50 856	–	–
Allowance for expected credit losses	(1 136)	(5 305)	–	–
Non-financial instruments				
Operating lease equalisation assets	3 845	4 186	–	–
	48 607	50 773	11 032	11 032

Limited payout machine (LPM) site operator loans with a carrying value of R24 million (2024: R25 million) are included in other loans, with the Group recognising expected credit losses of R1 million (2024: R1 million), as presented in the matrix below, in respect of these loans. Refer to note 13 for disclosures relating to LPM site operator loans.

Other loans further include receivables with a total carrying value of R2 million (2024: R16 million) from non-controlling interests. One of these loans, with a carrying value of R12 million at 31 March 2024, was settled in full during the year by way of a debt-for-equity swap and ECLs totalling R4.5 million were consequently reversed. The loan bore interest at the prime interest rate less 0.5%. Loans with a carrying value of R2 million (2024: R4 million) bear no interest and are repayable from dividends declared to these non-controlling shareholders (refer to note 36.5).

Expected credit loss allowances for non-current receivables as at 31 March 2025 are as follows:

	Group		Total R'000
	Stage 1 Performing R'000	Stage 2 Under- performing R'000	
2025			
Financial instruments			
Carrying value of non-current receivables with no expected credit losses recognised	21 213	–	21 213
Carrying value of LPM site operator loans with expected credit losses recognised	23 125	424	23 549
Gross amount	23 427	1 258	24 685
Expected credit loss rate	1%	66%	5%
Expected credit loss	(302)	(834)	(1 136)
Non-financial instruments included in non-current receivables			3 845
			48 607

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Stage 1 Performing R'000	Group Stage 2 Under- performing R'000	Total R'000
10. NON-CURRENT RECEIVABLES continued			
2024			
Financial instruments			
Carrying value of non-current receivables with no expected credit losses recognised	9 741	–	9 741
Carrying value of non-current receivables with specific credit losses recognised	–	12 142	12 142
Gross amount	–	16 670	16 670
Specific credit losses	–	(4 528)	(4 528)
Carrying value of LPM site operator loans with expected credit losses recognised	23 077	1 627	24 704
Gross amount	23 448	2 033	25 481
Expected credit loss rate	2%	20%	3%
Expected credit loss	(371)	(406)	(777)
Non-financial instruments included in non-current receivables			4 186
			<u>50 773</u>

Allowance for expected credit losses on non-current receivables

Movements in the allowance for expected credit losses on non-current receivables are as follows:

	Group 2025 R'000	2024 R'000
Loss allowance as at 1 April	5 305	5 183
Lifetime expected credit loss allowance recognised during the year:		
– receivables with significant increase in credit risk but not credit impaired	834	405
Loss allowance unused and reversed during the year	(5 003)	(283)
Loss allowance as at 31 March	<u>1 136</u>	<u>5 305</u>

The creation and release of the allowance for credit losses have been included in other operating expenses and income in the statement of profit or loss (refer to note 33) due to the amounts not being material.

		Group	
		2025 R'000	2024 R'000
11. INVENTORIES			
Raw materials		224 825	273 140
Work in progress		49 702	63 634
Finished goods		510 813	376 813
Consumables and spares		124 734	126 275
Coal		37 479	17 293
Operating equipment		13 051	14 996
Allowance for obsolete inventory		(4 251)	(1 171)
		956 353	870 980

Inventory with a carrying value of R178 million (2024: R253 million) is stated at net realisable value.

Inventories totalling R11 million (2024: R23 million) have been transferred to property, plant and equipment and included in the other equipment and vehicles, and plant and machinery categories during the year (refer to note 1).

Encumbrances

Details of the assets that serve as security for borrowings are presented in note 17.

		Group	
		2025 R'000	2024 R'000
12. PROGRAMME RIGHTS			
Television programmes (including video on demand rights)			
– International		565 889	522 858
– Local		829 242	842 022
		1 395 131	1 364 880
Reconciliation of carrying value			
At the beginning of the year		1 364 880	945 387
Additions		930 935	1 167 627
Transfer from intangible assets (refer to note 5)		16 232	85 466
Amortised through other operating expenses		(916 916)	(833 600)
At the end of the year		1 395 131	1 364 880

		Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
13. TRADE AND OTHER RECEIVABLES					
Trade receivables – net carrying value		1 255 558	1 366 343	–	–
Gross		1 336 451	1 416 929	–	–
Allowance for expected credit losses		(80 893)	(50 586)	–	–
Prepayments		265 575	232 682	–	–
Other receivables – net carrying value		628 451	558 849	23 865	27 185
Gross		700 557	627 866	23 865	27 185
Allowance for expected credit losses		(72 106)	(69 017)	–	–
		2 149 584	2 157 874	23 865	27 185

The carrying value of trade and other receivables approximates fair value due to the short period to maturity of these instruments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

13. TRADE AND OTHER RECEIVABLES continued

Trade receivables

The Group's trade receivables comprise a widespread customer base within various sectors. Credit sales mainly have negotiated credit terms of up to 45 days and are therefore all classified as current receivables.

The Group's trade receivables are of a strong credit quality. New customers are given credit only after meeting strict minimum requirements, while the financial condition of existing customers is reviewed on an ongoing basis. These reviews include the evaluation of previous relations the customer had with the Group, taking into account the period and value of business. The utilisation of credit limits are regularly monitored by reviewing the ageing analysis of these debtors. Credit limits exceeded during the year were closely monitored and management does not expect any losses from non-performance by these counterparties that have not been provided for. No customer (2024: none) had debt in excess of 10% of the Group's total trade receivables balance at the reporting date.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery. The Group considers debtors that have been liquidated, with no possibility of further cash distributions, to be an indicator that there is no reasonable expectation of recovery. The following are considered to be indicators of default:

- failure of a debtor to engage in a repayment plan once the account falls into arrears;
- failure to make payments after the institution and/or conclusion of legal proceedings; or
- the debtor entering into business rescue or liquidation.

The Group applies the IFRS 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. The lifetime expected credit loss allowance is determined with reference to a provision matrix as permitted by IFRS 9 and presented below. The provision matrices have been developed by making use of judgement and past default experience of debtors, but also incorporate forward-looking information such as the likelihood of default by the debtor and general economic conditions of the relevant industry at the reporting date. Macroeconomic factors affecting customers' ability to settle amounts outstanding include the country's slow economic growth, gross domestic product, the impact of inflation on disposable income as mentioned in note 3, the impact of the country's high unemployment rate and the financial vulnerability of state-owned enterprises and municipalities, all of which have been considered by the Group in its assessment of expected credit losses.

Debtors that are long outstanding and generally are slow payers are considered to have a higher credit risk profile and are managed and provided for on a one-on-one basis. In determining the specific credit loss allowance as presented in the table below, the Group also considered, inter alia, disputes with customers, untraceable debtors, long-overdue account balances, customers handed over to attorneys for collection and customers placed under liquidation.

Trade receivables with a carrying value of R695 million (2024: R850 million) as presented in the matrix below, do not expose the Group to significant credit risk and no significant losses from non-performance by these counterparties are expected by the Group. These balances include receivables totalling R602 million (2024: R759 million) which were all current and not due for payment by the reporting date, while trade receivables with a carrying value of R92 million (2024: R91 million) were past due for 30 days or more. The vast majority of these receivables relates to the Group's media operations and most significantly comprises reputable multinational agencies with whom the group has long-standing relationships. Before accepting any new customer, management performs credit checks utilising external credit bureaux and banks. If there is any doubt about a new customer's creditworthiness, the customer is initially placed as a cash on delivery customer and their payment history is assessed before being given credit. Credit is continuously monitored to ensure payments are made on time and for the correct amount.

All media customers who exceed their standard credit terms are evaluated by management who considers numerous factors, including:

- historical data such as payment history and default rates derived from actual loss experience over a representative period. Default by media debtors has been insignificant in the past;
- current and forward-looking data based on macroeconomic conditions and industry-specific indicators, such as:
 - monthly advertising spend;
 - client-specific financial stress indicators (reputational loss, employee disputes, loss of key suppliers); and
 - global and local economic trends impacting the media and advertising industry.

This review of the customer may result in the re-evaluation of its credit terms, changing its payment terms to cash on delivery and/or increasing bank guarantees that are in place.

Trade receivables balances which are past due are managed individually. Recurring transactions over the long-term provide management with valuable payment history and customer behaviour knowledge, which is used in making credit risk assessments. The media group's state-owned customers tend to have higher arrears statuses due to administrative delays and slow payment behaviour. Management concluded that these outstanding balances remain recoverable with no significant risk of default and any credit losses or time value of money impact were assessed as immaterial.

13. TRADE AND OTHER RECEIVABLES continued

Trade receivables continued

On the above basis the expected credit loss allowance for trade receivables as at 31 March 2025 was determined as follows:

Group	Trade receivables days past due				Total R'000
	Current R'000	> 30 days R'000	> 60 days R'000	> 90 days R'000	
2025					
Carrying value of debtors with no expected credit losses recognised	602 215	12 743	15 573	64 148	694 679
Carrying value of debtors with specific credit losses recognised	8 364	4 792	1 059	10 496	24 711
Gross amount	9 582	4 964	1 299	34 263	50 108
Specific credit losses	(1 218)	(172)	(240)	(23 767)	(25 397)
Carrying value of debtors with expected credit losses recognised	301 966	150 823	39 622	43 757	536 168
Gross amount	303 588	151 350	41 517	95 209	591 664
Expected credit loss rate	1%	0%	5%	54%	9%
Lifetime expected credit loss	(1 622)	(527)	(1 895)	(51 452)	(55 496)
	912 545	168 358	56 254	118 401	1 255 558
2024*					
Carrying value of debtors with no expected credit losses recognised	758 767	10 535	10 048	70 338	849 688
Carrying value of debtors with specific credit losses recognised	66 534	9 267	1 531	8 809	86 141
Gross amount	70 561	10 126	2 112	24 898	107 697
Specific credit losses	(4 027)	(859)	(581)	(16 089)	(21 556)
Carrying value of debtors with expected credit losses recognised	235 074	110 528	36 682	48 230	430 514
Gross amount	236 232	111 743	37 198	74 371	459 544
Expected credit loss rate	0%	1%	1%	35%	6%
Lifetime expected credit loss	(1 158)	(1 215)	(516)	(26 141)	(29 030)
	1 060 375	130 330	48 261	127 377	1 366 343

* The Group's media operations adjusted the time buckets to which their trade receivables are allocated to more accurately reflect the credit terms and manner in which these debtors are managed. The comparatives have been restated on the same basis.

Allowance for expected credit losses on trade receivables

Movements in the allowance for expected credit losses on trade receivables are as follows:

	Group	
	2025 R'000	2024 R'000
Loss allowance as at 1 April	50 586	47 973
Loss allowance recognised during the year	40 054	30 572
Receivables written off during the year	(2 086)	(12 397)
Loss allowance unused and reversed during the year	(7 661)	(15 562)
Loss allowance as at 31 March	80 893	50 586

Collateral

The Group holds no collateral over trade receivables, which can be sold or repledged to a third party.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

13. TRADE AND OTHER RECEIVABLES continued

Other receivables

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Other receivables comprise the following:				
Financial instruments				
Loans receivable (including amounts due from gaming site operators)*	247 807	317 591	10 319	9 113
Deposits	292 239	130 608	–	–
Other sundry receivables	48 992	70 672	44	39
Interest receivable	22 515	19 243	13 502	18 033
Contract assets	898	2 805	–	–
Finance lease receivables	1 523	2 011	–	–
Accrued income	1 731	16 832	–	–
Insurance claims receivable	–	1 232	–	–
Non-financial instruments				
VAT receivable	45 978	30 280	–	–
Operating lease equalisation assets:				
– owner-occupied properties	7 684	8 213	–	–
– investment properties (refer to note 2)	21 127	18 899	–	–
Other sundry debtors	10 063	9 480	–	–
	700 557	627 866	23 865	27 185

* Company loan receivables with a carrying value of R10 million (2024: R9 million) comprise a loan granted to SACTWU, the Company's largest shareholder. The loan is secured, bears interest at the prime interest rate plus 1% and is repayable on demand. No expected credit losses have been recognised by the Company as the risk of default is not considered to be significant.

Other receivables with a carrying value of R481 million (2024: R418 million) as presented in the matrix below, do not contain significant credit risk and the Group does not expect significant losses to arise from these receivables. Deposits of R293 million (2024: R131 million) and loan receivables of R113 million (2024: R176 million) are the most significant receivables included in this category.

The majority of the Group's deposits are held at reputable financial institutions and corporates and the risk of default is not considered to be significant. Loans receivable includes a balance of R95 million (2024: R103 million) owing by a joint venture of the Group. This loan bears interest at the prime interest rate, is repayable on demand and does not expose the Group to credit risk since the joint venture has provided properties to serve as security for these borrowings. A valuation was performed on these properties, with the fair value found to exceed the carrying value of the loan at the reporting date. No expected credit losses has therefore been recognised in relation to this receivable. Prior-year loan receivables further included a USD-denominated loan to African Energy Corp (AEC), a related party of the Group. This loan, with a carrying value of R55 million at 31 March 2024, was unsecured, accrued interest at a rate of 15% per annum and was repayable in full on 31 March 2025. AEC entered into an agreement with the Group whereby the outstanding loan balance of R82 million would be settled in exchange for shares in the company at the repayment date. These additional shares issued to the Group resulted in the Group obtaining control of AEC on 31 March 2025 (refer to note 43.2).

Specific receivables that have stand-alone characteristics have been considered individually for expected credit losses. The expected credit loss on these receivables is based on the use of judgement, historical experience and future expectations and information affecting the debtor.

The IFRS 9 expected credit loss model requires the classification and measurement of expected credit losses using the general model for loans and advances measured at amortised cost. The general model is a three-stage model with the stages being performing (stage 1), underperforming (stage 2) and non-performing (stage 3). Impairments of loans in stage 1 are measured based on a 12-month expected credit loss and loans in stages 2 and 3 are based on a lifetime expected credit loss. In terms of IFRS 9, all loans and advances are assessed on a regular basis to determine whether there has been a significant increase in credit risk. In cases where the significant increase in credit risk has occurred, an impairment equal to the lifetime expected credit loss is recognised. The three-stage model has been developed by making use of judgement and past default experience of loans but also incorporating forward-looking information such as the macroeconomic factors mentioned earlier.

13. TRADE AND OTHER RECEIVABLES continued

Other receivables continued

The key inputs used for measuring expected credit losses are the probability of default, loss given the default and the exposure at default. Probability of default is an estimate of the likelihood of default over a given time horizon. The estimation is based on current conditions, adjusted to take into account estimates of future conditions that will impact the probability of default. Loss given the default is an estimate of the loss arising on default. The time of recovery and the recovery rate is taken into account when the loss given the default is estimated. Exposure at default is an estimate of the exposure at a future default date, which is the total balance outstanding at default.

Expected credit losses of R72 million (2024: R69 million) have been recognised on gaming site operator loans totalling R130 million (2024: R141 million) and included in the matrix below. These loans comprise amounts due from LPM site owners resulting from initial costs incurred to obtain gaming site approval from the gambling board, as well as funding requirements for maintaining and expanding their operations. The loans are unsecured, interest free, repayable in weekly instalments over periods ranging from three to 36 months and discounted at the prevailing prime interest rate. Interest income from these loans is recognised in the statement of profit or loss using the effective interest rate method (refer to note 27). Also included in loans are amounts incurred by the Group and paid on behalf of site owners to enable them to apply for licences with the gambling board.

In determining whether there has been a significant increase in credit risk in respect of LPM site operator loans, the Group uses the average monthly gross gaming win per site (determined to be R135 000) as a benchmark. Sites that are generating a lower gross gaming win are considered to be underperforming in terms of its cash generations, which is consequently regarded as a significant increase in credit risk event.

On the above basis the expected credit loss allowance for other receivables as at 31 March 2025 was determined as follows:

Group	Other receivables			Total R'000
	Stage 1 Performing R'000	Stage 2 Under- performing R'000	Stage 3 Non- performing R'000	
2025				
Financial instruments				
Carrying value of other receivables with no expected credit losses recognised	480 929	–	–	480 929
Carrying value of other receivables with specific credit losses recognised	–	3 220	–	3 220
Gross amount	–	3 476	5 941	9 417
Specific credit losses	–	(256)	(5 941)	(6 197)
Carrying value of other receivables with expected credit losses recognised	43 065	16 385	–	59 450
Gross amount	44 093	81 266	–	125 359
Expected credit loss rate	2%	80%	–	53%
Expected credit loss	(1 028)	(64 881)	–	(65 909)
Non-financial instruments included in other receivables				84 852
				628 451
2024				
Financial Instruments				
Carrying value of other receivables with no expected credit losses recognised	417 550	–	–	417 550
Carrying value of other receivables with specific credit losses recognised	–	–	–	–
Gross amount	–	–	5 869	5 869
Specific credit losses	–	–	(5 869)	(5 869)
Carrying value of other receivables with expected credit losses recognised	54 255	20 172	–	74 427
Gross amount	55 607	81 968	–	137 575
Expected credit loss rate	2%	75%	–	46%
Expected credit loss	(1 352)	(61 796)	–	(63 148)
Non-financial instruments included in other receivables				66 872
				558 849



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

13. TRADE AND OTHER RECEIVABLES continued

Allowance for expected credit losses on other receivables

Movements in the allowance for expected credit losses on other receivables are as follows:

	Group	
	2025 R'000	2024 R'000
Loss allowance as at 1 April	69 017	70 877
Loss allowance recognised on specific receivables during the year	3 009	2 525
Twelve-month expected credit loss allowance recognised during the year	670	948
Lifetime expected credit loss allowance recognised during the year:		
– receivables with significant increase in credit risk but not credit impaired	8 050	1 979
– finance lease receivables	233	–
Receivables written off during the year	(2 500)	(4 197)
Loss allowance unused and reversed during the year	(6 373)	(3 115)
Loss allowance as at 31 March	72 106	69 017

For both trade and other receivables the creation and release of the allowance for credit losses have been included in other operating expenses and income in the statement of profit or loss (refer to note 33) due to the amounts not being material.

Foreign currency exposure

The carrying values of trade and other receivables denominated in foreign currencies are detailed in note 44.1.1.

Encumbrances

Details of assets that serve as security for borrowings are presented in note 17.

	Group	
	2025 R'000	2024 R'000
14. NON-CURRENT AND DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE		
Non-current and disposal group assets classified as held for sale	126 800	152 642
Liabilities associated with disposal group assets held for sale	–	(1 765)
	126 800	150 877
14.1 Deneb Investments Limited		
During the prior year the Deneb group resolved to dispose of two of its investment properties located in Durban. One of these properties with a carrying value of R65 million was sold for proceeds of R69 million, realising a gain on disposal of R4 million during the current year (refer to note 28).		
The directors of Vega Properties, a division of Sargas Proprietary Limited, have decided to dispose of a property located in Worcester. The property, with a fair value of R43 million, was consequently reclassified from investment properties (refer to note 2) and included in assets held for sale at 31 March 2025. The group recognised a fair value gain of R1 million on its investment properties included in assets held for sale during the year, with both remaining properties expected to be sold within the next financial year.		
Assets associated with Deneb Investments Limited classified as held for sale included in branded products and manufacturing		
Investment properties	93 800	115 000

		Group	
		2025 R'000	2024 R'000
14. NON-CURRENT AND DISPOSAL GROUP ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE continued			
14.2 eMedia Holdings Limited			
<p>The eMedia board of directors previously resolved to discontinue the operations of Crystal Brook Distribution Proprietary Limited, Niveus 13 Proprietary Limited and Silverline Studios Proprietary Limited. The remaining assets and liabilities of these operations were included in disposal groups held for sale at 31 March 2024 and written off in full during the current year.</p> <p><i>Assets and liabilities associated with eMedia Holdings Limited classified as held for sale included in media and broadcasting</i></p>			
Property, plant and equipment		–	435
Intangible assets		–	975
Deferred tax asset		–	1 058
Trade and other receivables		–	1 530
Taxation receivable		–	9
Cash and cash equivalents		–	289
Trade and other payables		–	(1 765)
		–	2 531
14.3 HCI Properties			
<p>The directors of the Group's property interests previously resolved to sell a section of one of its investment properties, with a carrying value of R33 million, to the Southern African Clothing and Textile Workers Union (SACTWU). The Group entered into an agreement with SACTWU and the sale will conclude once the building is sectionalised and the section transferred to SACTWU. This process is ongoing at year-end.</p> <p><i>Assets associated with the Group's property interests classified as held for sale</i></p>			
Investment properties		33 000	33 000
14.4 La Concorde Holdings Limited			
<p>The La Concorde group's investment property included in assets held for sale at 31 March 2024 was disposed of for proceeds less than R1 million during the current year.</p> <p><i>Assets associated with La Concorde Holdings Limited classified as held for sale included in other</i></p>			
Investment properties		–	346

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

15. ORDINARY SHARE CAPITAL

	Number of shares			
	2025 '000	2024 '000	2025 R'000	2024 R'000
Authorised				
Ordinary shares of 25 cents each	450 000	450 000	112 500	112 500
Issued				
In issue in Company	86 420	85 620	21 605	21 405
Treasury shares held by Company	(332)	–	(83)	–
In issue in Company, net of treasury shares	86 088	85 620	21 522	21 405
Treasury shares held by Company subsidiaries and employee share trust	(5 542)	(4 750)	(1 387)	(1 187)
On consolidation	80 546	80 870	20 135	20 218

Details of the issued share capital and share premium and changes during the current and prior year are as follows:

	Number of shares '000	Share capital R'000	Share premium R'000
In issue at 31 March 2023	85 620	21 405	17 158
Treasury shares held by Company subsidiaries and employee share trust	(4 750)	(1 187)	(17 158)
In issue at 31 March 2024	80 870	20 218	–
In issue at 31 March 2024	85 620	21 405	17 158
Shares issued to subsidiary company*	800	200	131 727
Shares repurchased	(332)	(83)	(46 455)
Treasury shares held by Company subsidiaries and employee share trust	(5 542)	(1 387)	(102 430)
In issue at 31 March 2025	80 546	20 135	–

* The Company issued 800 000 shares to a subsidiary company for the purpose of settling its future employee share option scheme obligations. The shares were issued on loan account, with no related cash inflow for the Company, at a price of R164.91 per share.

Holders of ordinary shares in the Company are entitled to dividends as declared from time to time and to one vote per share at shareholder meetings. These shareholders are also entitled to share in the residual proceeds upon the winding up of the Company, in proportion to the number of shares held. The rights attached to the Company's shares held by the Group are regulated by the Companies Act and the voting rights of these shares suspended until they are reissued to parties outside the Group.

The following shares were repurchased by the Group:

	2025	2024
Held as treasury shares by the Company	331 947	–

The weighted average price paid for these shares was R140.20 per share.

Details of options over shares are set out in note 37.

The unissued shares are under the control of the directors until the next annual general meeting.

16. OTHER RESERVES

Group	Foreign currency translation R'000	Share- based payments* R'000	Cash flow hedges R'000	Revaluation R'000	Other** R'000	Total R'000
2025						
At the beginning of the year	1 327 111	73 763	15 061	(196 232)	37 596	1 257 299
Other comprehensive income	(1 034 645)	–	(4 801)	(89 441)	(7 826)	(1 136 713)
Exchange differences on translation of foreign subsidiaries	(192 391)	–	–	–	–	(192 391)
Foreign currency translation reserves recycled on deemed disposal of equity-accounted investments (refer to notes 6 and 28)	(842 254)	–	–	–	–	(842 254)
Fair value adjustments on equity instruments designated at fair value through other comprehensive income	–	–	–	(92 146)	–	(92 146)
Revaluation of owner-occupied land and buildings on transfer to investment properties	–	–	–	2 705	–	2 705
Fair value losses on cash flow hedges	–	–	(4 801)	–	–	(4 801)
Share of other comprehensive income of equity-accounted investments	–	–	–	–	(7 826)	(7 826)
Equity-settled share-based payments	–	31 442	–	–	–	31 442
Effects of changes in subsidiary shareholding (refer to note 8)	(56)	–	2	(371)	(13)	(438)
Share of direct equity movements to other reserves of equity-accounted investments	–	–	–	–	(39 459)	(39 459)
Transfer of share-based payment reserve to accumulated profits	–	(38 979)	–	–	–	(38 979)
At the end of the year	292 410	66 226	10 262	(286 044)	(9 702)	73 152
2024						
At the beginning of the year	1 032 847	43 981	42 885	(66 871)	11 958	1 064 800
Other comprehensive income	294 262	–	(28 040)	(118 566)	28 023	175 679
Exchange differences on translation of foreign subsidiaries	294 262	–	–	–	–	294 262
Fair value adjustments on equity instruments designated at fair value through other comprehensive income	–	–	–	(120 230)	–	(120 230)
Revaluation of owner-occupied land and buildings on transfer to investment properties	–	–	–	1 664	–	1 664
Fair value losses on cash flow hedges	–	–	(28 040)	–	–	(28 040)
Share of other comprehensive income of equity-accounted investments	–	–	–	–	23 907	23 907
Hedging reserves recycled on disposal of equity-accounted investments (refer to notes 6 and 28)	–	–	–	–	4 116	4 116
Equity-settled share-based payments	–	31 231	–	–	–	31 231
Effects of changes in subsidiary shareholding (refer to note 8)	2	–	216	(1 013)	(27)	(822)
Share of direct equity movements to other reserves of equity-accounted investments	–	–	–	–	(2 358)	(2 358)
Transfer of revaluation reserves to accumulated profits	–	–	–	(9 782)	–	(9 782)
Transfer of share-based payment reserve to accumulated profits	–	(1 449)	–	–	–	(1 449)
At the end of the year	1 327 111	73 763	15 061	(196 232)	37 596	1 257 299

* Refer to note 37.

** Other reserves most significantly relate to equity-accounted reserves of associates and joint ventures.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group	
	2025 R'000	2024 R'000
17. BORROWINGS		
Bank borrowings	2 967 904	3 230 654
Bank mortgages	2 401 906	2 571 086
Instalment sale liabilities	396 855	261 910
Loans from non-controlling interests	266 270	224 389
Corporate bonds	4 988 765	5 719 484
Other borrowings	38 231	53 669
Redeemable preference shares	2 606 000	2 293 000
	13 665 931	14 354 192
Current portion of borrowings	(2 390 781)	(2 428 551)
	11 275 150	11 925 641
Secured	13 360 005	14 086 702
Unsecured	305 926	267 490
	13 665 931	14 354 192

Instalment sale liabilities totalling R389 million (2024: R254 million) relate to the Group's transport operations and bear interest at a weighted average rate of 10.0% (2024: 10.8%). The remaining instalment sale liabilities relate to the Group's branded products and manufacturing segment and bear interest at the prime interest rate. These liabilities are all secured and repayable monthly over a period of five years.

Loans from non-controlling interests most significantly include R163 million (2024: R126 million) owing to the non-controlling shareholders of Emerald Safari Resort Proprietary Limited, a subsidiary of the gaming group. The terms of the loan were amended during the prior year, resulting in an extinguishment of the original loan and an adjustment of R38 million being recognised as an equity contribution. The loan is unsecured and interest will be payable at the prime interest rate upon conclusion of an 18-month interest holiday. The repayment terms remain at the discretion of the board of directors of the borrower subsidiary, but the loan must be settled in full by 2050. At 31 March 2025 there was no intention to settle the loan within the next 12 months.

Group and Company borrowings from non-controlling interests further include R55 million (2024: R55 million) owing to SACTWU, repayable on demand. The Group's remaining loans from non-controlling interests have no fixed terms of repayment. All of these loans are unsecured and interest free.

Maturity dates for the corporate bonds vary between 28 February 2026 and 31 August 2029. The bonds are secured and bear interest at the three-month Johannesburg Interbank Average Rate (JIBAR) plus a margin varying between 1.3% and 1.6% (2024: three-month JIBAR plus a margin varying between 1.3% and 1.7%). Interest is payable in arrears on a quarterly basis.

Other borrowings most significantly include loans totalling R34 million (2024: R41 million) from the Industrial Development Corporation of South Africa to certain subsidiaries of the Deneb group. These loans are unsecured, interest free and repayable over a period of 60 months.

The redeemable preference shares are secured and have redemption dates varying from 13 December 2027 to 13 December 2029 as they will be redeemed in tranches. Preference shares with a carrying value of R2 151 million (2024: R778 million) have variable dividend rates ranging between 70% and 72% of the prime interest rate (2024: variable dividend rates ranging between 71% and 76% of the prime rate), while the remaining preference shares with a carrying value of R455 million (2024: R1 515 million) are fixed rate instruments with rates varying between 7.7% and 8.4% (2024: dividend rates varied between 7.7% and 8.1%).

17. BORROWINGS continued

	Group	
	2025 R'000	2024 R'000
The interest rate profile of the Group's borrowings, including the effect of interest rate swaps, is as follows*:		
Fixed rates	558 830	5 432 171
Floating rates	13 107 101	8 922 021
	13 665 931	14 354 192
Weighted average effective interest rates	9.47%	10.03%
Maturity of these borrowings is as follows:		
Due within one year	2 390 781	2 428 551
Due within one to two years	2 570 207	4 171 003
Due within two to three years	3 974 829	3 288 991
Due within three to four years	1 661 581	2 486 908
Due within four to five years	2 607 539	1 290 134
Due after five years	460 994	688 605
	13 665 931	14 354 192
Borrowings analysed by currency:		
South African Rand	13 665 641	14 352 649
Swiss Franc	–	1 543
British Pound	290	–
	13 665 931	14 354 192

* In the prior year and up to May 2024, the Group's gaming operations managed its interest rate risk by using floating-to-fixed interest rate swaps as detailed in note 7. Interest rate swaps have the economic effect of converting floating rate borrowings to fixed rates. The Group's interest rate swaps, with a notional value of R3.5 billion at 31 March 2024, all matured on 31 May 2024. This resulted in a significant change to the interest rate profile of the Group's borrowings as set out above.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

17. BORROWINGS continued

Movements in the carrying value of borrowings are as follows:

Group	Non-current borrowings R'000	Current borrowings R'000	Total R'000
2025			
Carrying value at the beginning of the year	11 925 641	2 428 551	14 354 192
Cash flows:			
Raising of new debt	1 811 858	518 327	2 330 185
Debt repayments	(2 512 274)	(781 997)	(3 294 271)
Interest paid (refer to note 36.3)	(11 793)	(999 333)	(1 011 126)
Finance raising fees capitalised to borrowings (refer to note 36.3)	–	(1 531)	(1 531)
Non-cash:			
Reclassification from non-current to current	(229 447)	229 447	–
Business combinations (refer to note 43.2)	462	239	701
New instalment sale agreements (refer to note 36.8)	258 583	–	258 583
Interest capitalised (refer to note 36.3)	32 927	996 559	1 029 486
Other borrowing facilities raised*	1 500 000	–	1 500 000
Other borrowing facilities repaid*	(1 500 000)	–	(1 500 000)
Amortisation of finance raising fees capitalised to borrowings (refer to notes 32 and 36.3)	–	519	519
Settlement of borrowings from non-controlling interests with shares	(807)	–	(807)
Carrying value at the end of the year	11 275 150	2 390 781	13 665 931
2024			
Carrying value at the beginning of the year	13 681 541	804 071	14 485 612
Cash flows:			
Raising of new debt	2 269 765	942 463	3 212 228
Debt repayments	(2 322 514)	(1 166 220)	(3 488 734)
Interest paid (refer to note 36.3)	(11 740)	(1 078 066)	(1 089 806)
Finance raising fees capitalised to borrowings (refer to note 36.3)	(795)	–	(795)
Non-cash:			
Reclassification from non-current to current	(1 841 581)	1 841 581	–
New instalment sale agreements (refer to note 36.8)	173 047	–	173 047
Interest capitalised (refer to note 36.3)	15 670	1 081 949	1 097 619
Other borrowing facilities raised	2 050 000	–	2 050 000
Other borrowing facilities repaid	(2 050 000)	–	(2 050 000)
Extinguishment of borrowings from non-controlling interests	(37 752)	–	(37 752)
Amortisation of finance raising fees capitalised to borrowings (refer to notes 32 and 36.3)	–	2 773	2 773
Carrying value at the end of the year	11 925 641	2 428 551	14 354 192

* At the time of the Tsogo group's debt refinancing in November 2024, borrowing facilities totalling R1.5 billion were settled free of value (off-set between the same lender). As a result, there was no cash flow through the Group's bank accounts at the time the new borrowing facilities of R1.5 billion were received. This concluded the settlement of the revolving credit facilities which were due to mature on 30 November 2025.

17. BORROWINGS continued

Collateral

The following represents the carrying value of assets that serve as security for these borrowings:

	Group	
	2025 R'000	2024 R'000
Property, plant and equipment	6 806 925	6 785 353
Investment properties	4 984 268	4 912 711
Inventory	51 612	51 978
Trade and other receivables	727 525	759 700
Pledge of cash in bank accounts	223 186	355 779
	12 793 516	12 865 521

The above securities are inclusive of securities pledged for bank overdrafts (refer to note 23).

The Group's shareholding in:

- Frontier Transport Holdings Limited (excluding those held by La Concorde Holdings Limited);
- eMedia Holdings Limited;
- Tsogo Sun Limited;
- Southern Sun Limited;
- Deneb Investments Limited;
- La Concorde Holdings Limited;
- HCI Resources Proprietary Limited;
- all holding companies of HCI Properties' property investments;
- HCI Invest 14 Holdco Proprietary Limited; and
- HCI Treasury Proprietary Limited

have been pledged as security for various debt facilities.

In addition, the Group may not dispose of or encumber its interest in Impact Oil & Gas Limited and Platinum Group Metals Limited without the prior approval of its central debt funders.

Further information on guarantees issued and suretyships provided for Group and Company debt facilities is provided in note 42.

Debt covenants

Group borrowings, with a carrying value of R7 848 million, were subject to covenants at the date of reporting. The measurement dates for covenant compliance are September and March for the Company's central debt and most of the Group's subsidiaries, while one subsidiary has quarterly measurement dates at the end of June, September, December and March.

The Company's central borrowings were subject to the following covenants during the year under review:

- combined Tsogo Sun and Southern Sun security cover ratio of no less than 2.25, which was outperformed by more than 50% at the reporting date;
- total security cover ratio of no less than 3, which was outperformed by more than 60% at the reporting date; and
- debt service cover ratio in respect of holding company income of no less than 2, which was outperformed by more than 90% at the reporting date.

The Company was in compliance with its debt covenants in respect of central borrowings during the year under review and as at the reporting date.

The Group's gaming, hotels, media and broadcasting, branded products and manufacturing and properties operations were in compliance with their respective covenants during the current and prior years.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

18. RETIREMENT BENEFIT INFORMATION

18.1 Pension and provident funds

Certain subsidiaries of the Group operate pension and provident funds. These are defined contribution funds, governed by the Pension Funds Act, 1956, which provide retirement and death benefits for all permanent, full-time employees who are not members of any other approved pension or provident fund. Refer to note 33 for contributions paid during the year.

	Group	
	2025 R'000	2024 R'000
18.2 Medical aid		
Non-current post-retirement benefit liabilities	136 335	130 026
Current portion of post-retirement benefit liabilities*	14 341	13 595
	150 676	143 621
18.2.1 The Frontier group makes monthly contributions to the Golden Arrow Employees' Medical Benefit Fund and Discovery Health in respect of its post-retirement defined benefit healthcare plans. The calculation of the accrued service liability is performed annually by Actuarial Benefits and Consulting Solutions Proprietary Limited.		
Movements in the liability recognised in the statement of financial position are as follows:		
Balance at the beginning of the year	67 912	67 437
Net expense recognised in the statement of profit or loss	3 728	4 258
Actuarial gains	(584)	(3 783)
	71 056	67 912
Less: Current portion*	(5 777)	(5 717)
Balance at the end of the year	65 279	62 195
The amounts recognised in the statement of profit or loss are as follows:		
Current service cost	1 282	1 353
Interest cost	8 163	8 077
Pensioner subsidy	(5 717)	(5 172)
Total included in employee costs	3 728	4 258

* Included in other payables (refer to note 22).

		Group	
		2025 R'000	2024 R'000
18. RETIREMENT BENEFIT INFORMATION continued			
18.2 Medical aid continued			
18.2.2	The Deneb group subsidises certain past employees who participate in the Discovery Medical Aid Scheme and who joined before 1 July 1996. These past employees are eligible for a 50% retirement subsidy of the total medical scheme contributions.		
	Movements in the liability recognised in the statement of financial position are as follows:		
	Balance at the beginning of the year	75 709	77 107
	Net expense recognised in the statement of profit or loss	8 397	8 047
	Contributions	(8 315)	(8 080)
	Actuarial losses/(gains)	3 829	(1 365)
		79 620	75 709
	Less: Current portion*	(8 564)	(7 878)
	Balance at the end of the year	71 056	67 831
	The amounts recognised in the statement of profit or loss are as follows:		
	Current service cost	18	17
	Interest on obligation	8 379	8 030
		8 397	8 047

* Included in other payables (refer to note 22).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

		Group	
		2025 R'000	2024 R'000
19. LONG-TERM INCENTIVE PLAN			
Tsogo Sun Group Share Appreciation Bonus Plan		45 518	114 251
Less: Current portion		(32 774)	(91 666)
Non-current portion		12 744	22 585

Cash-settled: Tsogo Sun Group Share Appreciation Bonus Plan

The Tsogo Sun Group Share Appreciation Bonus Plan is a bonus scheme whereby participants receive cash bonuses, the amounts of which are determined with reference to the growth in the company's share price and dividends declared. Allocations of notional shares are discretionary and administered in terms of the rules of the scheme.

Liabilities equal to the current fair values are recognised at each reporting date and the fair values expensed over the period as services are rendered by the employees. In terms of the rules, the fair values of the bonus payments are determined using the seven-day volume weighted average trading price of the company's shares prior to the determination of the fair value of the long-term incentive bonus.

The liability is calculated using a binomial lattice model. The following assumptions and inputs were used:

- respective strike prices as shown in the table below;
- volatility of 25.2% (2024: 43%) based on market prices since the June 2019 unbundling of Southern Sun Limited;
- no forward dividend yield as the scheme allows for the receipt of dividends (2024: 0%); and
- a risk-free rate of 7.3% to 7.4% (2024: 8.1% to 8.3%) taken from the South African swap curve as at the valuation dates and based on the expected term to expiry.

The Group recognised a credit (representing a reversal of provisions) of R39 million (2024: expense of R43 million) in respect of this plan during the year.

The table below summarises details of units awarded to participants per financial year, units vested at the end of the year and expiry dates of each allocation:

Grant date	Total appreciation units granted		Appreciation units granted and not vested		Strike price R
	2025	2024	2025	2024	
1 April 2018 ¹	–	124 584	–	–	24.08
12 December 2019	970 425	970 425	–	–	10.82
18 December 2020	300 000	3 020 000	–	–	5.20
16 March 2022	7 200 000	12 800 000	–	12 800 000	9.61
1 March 2023	9 550 000	10 900 000	9 550 000	10 900 000	10.67
15 March 2024	13 850 000	15 250 000	13 850 000	15 250 000	9.92
At 31 March	31 870 425	43 065 009	23 400 000	38 950 000	

Grant date	Appreciation units vested and still outstanding		Expiry date	Liability	
	2025	2024		2025 R'000	2024 R'000
1 April 2018 ¹	–	124 584	31 March 2024	–	–
12 December 2019	970 425	970 425	11 December 2025	826	4 461
18 December 2020	300 000	3 020 000	17 December 2026	2 732	35 419
16 March 2022	7 200 000	–	15 March 2026	17 572	51 786
1 March 2023	–	–	28 February 2027	11 643	21 077
15 March 2024	–	–	14 March 2028	12 745	1 508
At 31 March	8 470 425	4 115 009		45 518	114 251
Average share price utilised to value the liability				R8.25	R10.88

¹ As a result of the share price collapse due to COVID-19, the liability in respect of these appreciation units was reduced to Rnil.

		Group	
		2025 R'000	2024 R'000
20. PROVISIONS			
Rehabilitation provision			
Balance at the beginning of the year		82 397	68 082
Raised during the year (refer to note 4)		548	27 676
Utilised during the year (refer to note 36.7)		(837)	(17 513)
Imputed interest (refer to notes 32 and 36.3)		4 117	4 152
Unused amounts reversed during the year (refer to note 4)		(1 720)	–
Balance at the end of the year		84 505	82 397
Staff bonuses			
Balance at the beginning of the year		60 350	62 579
Raised during the year		120 181	108 593
Utilised during the year		(103 653)	(104 541)
Unused amounts reversed		(13 365)	(6 281)
Balance at the end of the year		63 513	60 350
Repurchase of service			
Balance at the beginning of the year		38 770	38 770
Raised during the year		–	1 128
Unused amounts reversed		–	(1 128)
Balance at the end of the year		38 770	38 770
Third-party claims			
Balance at the beginning of the year		7 074	8 460
Raised during the year		11 993	11 178
Utilised during the year		(4 683)	(7 155)
Unused amounts reversed		(6 374)	(5 409)
Balance at the end of the year		8 010	7 074
Incentives			
Balance at the beginning of the year		74 896	92 721
Raised during the year		72 221	67 711
Utilised during the year		(80 218)	(85 536)
Balance at the end of the year		66 899	74 896

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group	
	2025 R'000	2024 R'000
20. PROVISIONS continued		
Long-service awards		
Balance at the beginning of the year	–	6 052
Utilised during the year	–	(85)
Unused amounts reversed	–	(5 967)
Balance at the end of the year	–	–
Exemption provision		
Balance at the beginning of the year	32 914	–
Raised during the year	13 188	–
Reclassified from trade and other payables	–	32 914
Unused amounts reversed	(7 042)	–
Balance at the end of the year	39 060	32 914
Other		
Balance at the beginning of the year	15 296	13 877
Raised during the year	14 087	2 679
Utilised during the year	(2 731)	(1 260)
Balance at the end of the year	26 652	15 296
Total provisions	327 409	311 697
Non-current	84 505	82 397
Current	242 904	229 300
	327 409	311 697

Rehabilitation provision

Rehabilitation provisions are based on the Group's environmental plans, in compliance with current regulatory requirements. Provision is made based on the net present value of the rehabilitation of coal mining sites.

The net present value of the provision has been determined using a discount rate of 7.8% per annum (2024: 7.8%) and an annual inflation rate of 6% (2024: 6%). The period used for discounting was the Palesa Mine's expected remaining life of 96 months (2024: 144 months) and estimated settlement dates of the rehabilitation costs.

Staff bonuses

Provisions for staff bonuses are based on rates negotiated with union bargaining councils, the results of the relevant company or at the discretion of company management. In all cases, payment of such bonus is dependent upon the employee being in the company's service at the date of payment.

Repurchase of service

Government indicated in 1997 its long-term objective to open public passenger transport services to competitive tendering. Past experience has shown where government has followed this course of action, the resulting tendered cost to government has been considerably higher than the cost under the existing regime, which has delayed the future roll-out of this model.

The repurchase of service provision is raised in respect of retrenchment costs that will be payable to employees who would be surplus to requirements should the operating of some routes be awarded to third parties.

The amount provided for is based on management's best estimate of the maximum costs payable in accordance with the employees' current conditions of employment. Assumptions have been made in respect of the timing of the service being put out to tender and the extent of the services that would be awarded to third parties.

A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for these retrenchment costs. The information required to calculate an estimate is contingent on a future event, the occurrence of which is unknown at this stage and as such a reliable estimate of the amount that would be paid to qualifying employers, cannot be made. Reference has been made to the existence of a contingent asset in note 42.

20. PROVISIONS continued

Third-party claims

Third-party claims are legal claims resulting from traffic accidents. The timing and extent of claims settled remain uncertain until settlement occurs. Where the Group is virtually certain to be reimbursed under an insurance contract, the reimbursement is recognised as a separate asset.

Incentives

This is a provision for bonus plans based on a formula that takes into consideration the profit attributable to the subsidiary company's shareholders after certain adjustments and the performance of the respective employees. These criteria are only finalised after the subsidiary's year-end.

Exemption provision

The Frontier group has applied to the Labour Court for exemptions from paying all staff who fall under the South African Road Passenger Bargaining Council (SARPBAC) an across-the-board increase since 2018, and has proposed an alternative method of calculation in respect of increases to staff who are currently paid in excess of the SARPBAC minimum. The group would be required to pay employees historical amounts calculated on a different basis to the rate currently being applied, should the application fail. The wage agreement is considered prejudicial to the group, which is following due process, the outcome of which is uncertain. The amount is considered a provision due to the uncertainty in timing of the outflow.

21. DEFERRED REVENUE AND INCOME

- 21.1 The Tsogo Sun group accounts for its gaming customer reward programmes (gaming win) in terms of IFRS 9 *Financial Instruments* with the liability allocated to deferred income in the statement of financial position.

	Group	
	2025 R'000	2024 R'000
Deferred income		
At 1 April	30 367	25 777
Created during the year	199 228	228 372
Forfeitures during the year	(14 528)	(13 292)
Utilised during the year	(187 150)	(210 490)
At 31 March	27 917	30 367
The expected timing of the recognition of the deferred income is within one year and is considered current.		
21.2 Government grants received by the Deneb group relate to funding arrangements and programmes such as the Production Incentive Programme (PIP), the Manufacturing Competitiveness Enhancement Programme (MCEP) and the Automotive Investment Scheme (AIS) established by the Department of Trade, Industry and Competition. These incentives are offered to qualifying companies operating within the industrial manufacturing industry.		
Deferred income		
At 1 April	101 954	105 052
Created during the year	23 653	15 842
Utilised during the year	(15 929)	(18 940)
At 31 March	109 678	101 954
The expected timing of the recognition of the deferred income is within 15 to 20 years as follows:		
Non-current	99 591	91 054
Current	10 087	10 900
	109 678	101 954

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

		Group	
		2025 R'000	2024 R'000
21. DEFERRED REVENUE AND INCOME continued			
21.3	Deferred revenue by the Gallagher group relates to deposits received in advance for conferences and exhibitions contracted.		
	Deferred revenue		
	At 1 April	8 592	10 807
	Created during the year	153 981	123 308
	Utilised during the year	(150 495)	(125 523)
	At 31 March	12 078	8 592
	The expected timing of the recognition of the deferred revenue is within one year and is considered current.		
21.4	Deferred revenue of the Frontier Transport group relates to transportation fees received in advance:		
	Deferred revenue		
	At 1 April	29 178	18 445
	Created during the year	20 791	29 178
	Utilised during the year	(21 679)	(18 445)
	At 31 March	28 290	29 178
	The expected timing of the recognition of the deferred revenue is within one year and is considered current.		
	Total deferred revenue and income		
	Non-current	99 591	91 054
	Current	78 372	79 037
		177 963	170 091

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
22. TRADE AND OTHER PAYABLES				
Trade payables	1 292 902	1 246 521	–	–
Accruals	402 399	354 235	–	–
Advance deposits	61 275	55 484	–	–
Lease liabilities (refer to note 24)	78 872	88 362	–	–
Other payables*	956 753	922 636	12 775	2 849
	2 792 201	2 667 238	12 775	2 849
* Other payables comprise the following:				
Financial instruments				
Tenant deposits	47 909	40 104	–	–
Payroll-related payables	12 254	25 271	–	–
Capital expenditure creditors	111 809	95 085	–	–
Smartcard gaming credits due to customers	57 826	49 752	–	–
Gaming chip liability	32 577	29 840	–	–
Sundry payables**	138 617	174 378	2 446	547
Dividends payable – ordinary shares (refer to note 36.5)	36 306	33 143	2 291	2 302
– preference shares	33 505	30 272	–	–
Unclaimed gaming credits	17 077	14 128	–	–
Gaming player deposits	12 011	16 624	–	–
Share buy-back payable	8 038	–	8 038	–
Non-financial instruments				
Payroll-related payables	73 259	61 451	–	–
Leave pay accruals	129 484	119 733	–	–
Bonus accruals	72 901	67 796	–	–
Post-retirement benefit liabilities (refer to note 18.2)	14 341	13 595	–	–
VAT payable	117 264	106 392	–	–
Gaming levies	35 101	33 533	–	–
Other creditors	6 474	11 539	–	–
	956 753	922 636	12 775	2 849

** Sundry payables most significantly relate to the Group's gaming operations and include unallocated deposits received, debtors with credit balances and other sundry payables.

Foreign currency exposure

The carrying values of trade and other payables denominated in foreign currencies are detailed in note 44.1.1.

Fair value of trade and other payables

The carrying value approximates fair value because of the short period to settlement of these obligations.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
23. BANK OVERDRAFTS				
Balance at 31 March	94 076	107 143	98	–

Overdrafts of R94 million (2024: R107 million) are secured by assets as part of the Group's general borrowings (refer to note 17).

Fair value of bank overdrafts

The carrying value of bank overdrafts approximates fair value due to the short-term maturity of these instruments.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

24. LEASES

In the capacity as lessee

Nature of leasing activities

The Group leases various properties in the jurisdictions from which it operates, including the Golden Horse Casino land, various properties at the bingo business sites, land, offices, warehouses and retail stores. These lease agreements are typically concluded for fixed periods of three to 30 years, but may have extension options as described below. Most of the Group's property lease contracts provide for fixed payments over the term of the lease while a small number of these contracts provide for annual inflationary increases in lease payments or variable payments as detailed below.

The Group also leases certain items of machinery, vehicles and casino gaming equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Variable lease payments

Certain property leases contain variable payment terms that are linked to the annual consumer price index (CPI) and/or gross gaming win. The annual CPI increase is included in the measurement of the lease liability, while the portion of the lease payments linked to the gross gaming win is excluded.

Casino and bingo gaming machine lease agreements contain variable payment terms that are linked to gross gaming win generated by the respective machines. These variable lease payments are not included in the measurement of the lease liabilities, but are recognised in profit or loss in the period in which the event or condition that triggers those payments, occurs. A 10% increase in gross gaming win across all sites in the Group with such variable lease contracts would increase total gaming equipment lease payments by approximately R8 million (2024: R10 million).

Variable lease payments that are not taken into account in the measurement of lease liabilities are included in other operating expenses and income in the statement of profit or loss (refer to note 33).

The current proportion of fixed and variable lease payments included in the Group's lease liabilities is presented in the table below. The sensitivity analysis indicates the impact on the carrying amount of lease liabilities and right-of-use assets if there was a 5% increase in variable lease payments at the reporting date.

		Group		
	Number of lease contracts	Fixed lease payments R'000	Variable lease payments R'000	Sensitivity R'000
2025				
Property leases with payments linked to inflation	3	–	7 757	264
Property leases with fixed payments	73	105 442	–	–
Leases of plant and machinery	11	1 019	–	–
Leases of other equipment and vehicles	64	20 729	–	–
	151	127 190	7 757	264
2024				
Property leases with payments linked to inflation	3	–	6 963	471
Property leases with fixed payments	67	99 151	–	–
Leases of plant and machinery	8	1 074	–	–
Leases of other equipment and vehicles	57	21 559	–	–
	135	121 784	6 963	471

24. LEASES continued

Options to extend or terminate lease terms

Options to extend or terminate lease terms are included in certain property leases across the Group. These are used to maximise operational profitability in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable by the Group only and not by the respective lessor.

The following options are held by the Group's gaming interests in respect of property leases:

- the Golden Horse Casino land lease has an extension option effective 1 September 2030 which the Group is reasonably certain to exercise. This extension option was consequently included in the measurement of the lease liability. At the end of the prior year it was uncertain whether the extension option relating to the Hemingways Casino Cinema, effective 21 August 2024, would be exercised by the Group and the option was therefore derecognised from the lease liability. The impact of the derecognition was a decrease of R21 million and R2 million, respectively, in the lease liability and right-of-use asset, and a remeasurement gain totalling R19 million being recognised in profit or loss; and
- bingo property lease contracts are reasonably certain to be extended (or not terminated) by the Group when a gaming licence term exceeds the initial property lease term. The Group is reasonably certain not to extend a bingo property lease contract when a more suitable property for its operations has been identified. At the reporting date all extension options included in these property leases were reasonably certain to be exercised by the Group and have consequently been capitalised. Lease liabilities totalling R21 million were derecognised due to the closure of certain bingo sites and the termination of the related property leases during the year.

Extension options are included in a number of property lease contracts across the Deneb group, mainly relating to its factory buildings. The group's most significant lease contracts include options to extend the term of the lease for five years, with an effective date of 1 July 2027. The group is reasonably certain to exercise these options and extend the lease terms.

Termination of leases

On 31 October 2024 the eMedia group terminated its lease agreement with Intelstat, resulting in the derecognition of right-of-use assets and lease liabilities of R93 million and R99 million, respectively. The termination of the lease followed a change in business strategy, whereby the group would no longer have a need for high-beam transponder capacity. A termination fee of US\$1.8 million was payable on the date of termination and was recognised in other operating expenses in the statement of profit or loss.

	Group			
	Land and buildings R'000	Plant and machinery R'000	Other equipment and vehicles R'000	Total R'000
Reconciliation of carrying value: right-of-use assets				
2025				
Carrying value as at 1 April 2024	251 505	2 245	118 907	372 657
Depreciation	(71 288)	(496)	(21 081)	(92 865)
Additions	51 949	–	3 992	55 941
Remeasurement of lease	(8 397)	(48)	1 404	(7 041)
Termination of lease	(20 434)	–	(92 559)	(112 993)
Business combinations (refer to note 43.2)	5 304	–	–	5 304
Disposal of subsidiaries (refer to note 43.3)	(739)	–	–	(739)
Effect of modification to lease terms	246	–	–	246
Carrying value as at 31 March 2025	208 146	1 701	10 663	220 510
2024				
Carrying value as at 1 April 2023	280 388	2 990	16 404	299 782
Depreciation	(68 825)	(1 052)	(25 586)	(95 463)
Additions	38 735	307	129 201	168 243
Remeasurement of lease	1 207	–	–	1 207
Termination of lease	–	–	(1 112)	(1 112)
Carrying value as at 31 March 2024	251 505	2 245	118 907	372 657



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group			
	Land and buildings R'000	Plant and machinery R'000	Other equipment and vehicles R'000	Total R'000
24. LEASES continued				
Reconciliation of carrying value: lease liabilities				
2025				
Carrying value as at 1 April 2024	386 251	2 682	128 893	517 826
Finance costs (refer to note 32)	36 128	–	6 617	42 745
Lease payments*	(113 199)	(1 019)	(20 729)	(134 947)
Additions	51 949	–	3 992	55 941
Remeasurement of lease	(10 688)	34	2 776	(7 878)
Termination of lease	(27 907)	–	(99 238)	(127 145)
Business combinations (refer to note 43.2)	7 316	–	–	7 316
Disposal of subsidiaries (refer to note 43.3)	(1 019)	–	–	(1 019)
Currency translation	–	–	(9 986)	(9 986)
Carrying value as at 31 March 2025	328 831	1 697	12 325	342 853
Less: Current portion (included in trade and other payables, refer to note 22)	(73 257)	(323)	(5 292)	(78 872)
Non-current portion	255 574	1 374	7 033	263 981
2024				
Carrying value as at 1 April 2023	430 049	3 180	16 482	449 711
Finance costs (refer to note 32)	41 408	269	11 093	52 770
Lease payments*	(106 114)	(1 074)	(21 559)	(128 747)
Additions	38 735	307	129 201	168 243
Remeasurement of lease	(17 827)	–	–	(17 827)
Termination of lease	–	–	(1 112)	(1 112)
Currency translation	–	–	(5 212)	(5 212)
Carrying value as at 31 March 2024	386 251	2 682	128 893	517 826
Less: Current portion (included in trade and other payables, refer to note 22)	(74 909)	(717)	(12 736)	(88 362)
Non-current portion	311 342	1 965	116 157	429 464

* Total lease payments of R135 million include R92 million of principal repayments and R43 million of finance costs (2024: total lease payments of R129 million include R76 million of principal repayments and R53 million of finance costs).



24. LEASES continued

The table below analyses the Group's lease liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

	Less than one year R'000	Between one and two years R'000	Between two and three years R'000	Between three and four years R'000	Between four and five years R'000	Over five years R'000	Total R'000
2025							
Lease liabilities	96 726	72 564	58 092	50 850	39 174	109 508	426 914
2024							
Lease liabilities	124 533	116 447	104 878	99 598	98 336	174 029	717 821

Lease commitments

As at 31 March 2025 the Group had outstanding commitments totalling R8 million (2024: R10 million) under non-cancellable leases which are not capitalised in terms of IFRS 16, being short-term leases and leases of low-value assets (comprising mainly small items of office equipment and furniture). Refer to note 33 for lease expenses recognised in profit or loss in respect of these leases. The Group has not committed to any lease contracts which had not commenced by the reporting date.

Residual value guarantees

None of the Group's lease contracts contain residual value guarantees.

Encumbrances

Lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

25. COMMITMENTS

Media and broadcasting

The Group's media and broadcasting operations has a contracted commitment for its signal distribution, totalling R39 million within one year (2024: R38 million) and R54 million after one to five years (2024: R93 million), with the contract ending on 31 July 2028. In addition, the Group has a contracted commitment for local programming content totalling R491 million (2024: R942 million), due within one year. These commitments will be funded from the Group's available bank facilities and retained profits.

	Group	
	2025 R'000	2024 R'000
Capital expenditure		
Authorised by directors and contracted to be expended:		
– Investment property	151 052	12 690
– Property, plant and equipment	659 276	460 397
– Intangible assets	792	–
	811 120	473 087

It is intended that this expenditure will be funded from bank finance and operating cash flows.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
26. REVENUE				
Sale of goods	5 770 444	5 925 198	–	–
Provision of services	7 656 824	7 380 807	–	–
Dividends received*				
– Subsidiaries	–	–	1 923 523	1 211 488
– Associates and joint ventures	–	–	17 357	–
	13 427 268	13 306 005	1 940 880	1 211 488

* Company dividends were received from subsidiaries, associates and joint ventures incorporated in South Africa and recognised as revenue when the right to receive payment was established. Current-year dividends include non-cash distributions of shares in subsidiary companies Johnnic Holdings Proprietary Limited and TIH Prefco (RF) Proprietary Limited, as well as the distribution of HCI Treasury Proprietary Limited loan receivables. The distributions of subsidiary company shares formed part of the Company's debt restructure as explained in note 8, with further details provided in Annexure A to this report.

The Group's revenue streams per segment are as follows:

	Group			
	2025		2024	
	Sale of goods R'000	Provision of services R'000	Sale of goods R'000	Provision of services R'000
Revenue recognised at a point in time				
Media and broadcasting				
Revenue from the sale of Openview boxes	164 596	–	145 594	–
Gaming				
Food and beverage revenue	–	675 252	–	647 977
Transport				
Revenue from the sale of vehicles, spares, tyres and retreads	503 757	–	152 768	–
Single-journey bus ticket revenue	–	355 663	–	360 419
Revenue from charter hire services	–	122 739	–	113 639
Revenue from automotive repair services	–	11 915	–	19 370
Other revenue	–	2 464	–	2 825
Properties				
Convention and exhibition revenue	–	132 154	–	134 259
Development revenue	20 000	–	16 965	–



26. REVENUE continued

	Group			
	2025		2024	
	Sale of goods R'000	Provision of services R'000	Sale of goods R'000	Provision of services R'000
Revenue recognised at a point in time continued				
Coal mining				
Revenue from the sale of coal	1 469 603	–	2 236 850	–
Branded products and manufacturing				
<i>Revenue from the sale of:</i>				
– Toys, electronic games and sports goods	994 899	–	943 720	–
– Woven, knitted and non-woven products	928 458	–	936 209	–
– Pressed, roll-formed steel products	1 086 314	–	929 080	–
– Stationery, publishing and office supplies	393 472	–	385 646	–
– Speciality chemicals	198 598	–	133 614	–
Other				
Food and beverage revenue	–	40 025	–	33 692
Donations	–	42 408	–	8 484
Revenue recognised over time				
Media and broadcasting				
Advertising revenue	–	2 415 874	–	2 346 975
Licence fees	–	389 559	–	369 250
Facility income from broadcasting and production services	–	177 580	–	173 854
Content sales	–	7 861	–	23 626
Gaming				
Hotel room revenue	–	535 661	–	523 222
Entrance fees	–	218 026	–	224 875
Tenant recoveries	–	83 820	–	73 718
Cinema revenue	–	46 279	–	46 184
Venue hire revenue	–	29 232	–	27 724
Parking fees	–	29 440	–	22 081
Other revenue*	–	96 965	–	89 969
Transport				
Revenue from operational contracts with the Department of Transport and the City of Cape Town for the provision of bus services	–	1 401 941	–	1 345 801
Multi-journey bus ticket revenue	–	636 563	–	609 050
Properties				
Tenant recoveries	–	165 917	–	152 553
Other revenue	–	9 135	–	3 690
Branded products and manufacturing				
Revenue from the sale of pressed, roll-formed steel products	10 747	–	44 752	–
Other				
Internal audit fees	–	21 685	–	20 137
Tenant recoveries	–	7 778	–	6 300
Other revenue	–	888	–	1 133
	5 770 444	7 656 824	5 925 198	7 380 807

* Other gaming revenue recognised over time most significantly includes tournament fees, other hotel revenue and other sundry revenue.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

26. REVENUE continued

In the current year R30.3 million (2024: R29.3 million) of the deferred revenue balance at the beginning of the year was recognised as revenue (refer to note 21).

The following aggregated amounts of transaction prices relate to the performance obligations from existing contracts that are unsatisfied or partially unsatisfied as at 31 March:

	Group		Total
	2025 R'000	2026 R'000	R'000
2025			
Revenue expected to be recognised	–	40 368	40 368
2024			
Revenue expected to be recognised	37 770	–	37 770

The Group does not have any significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers as the revenue is based on stand-alone selling prices and predetermined settlement dates.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
27. INVESTMENT INCOME				
Dividends				
Listed investments	10 200	9 520	–	–
Unlisted investments	64 150	53 636	–	–
	74 350	63 156	–	–
Interest income				
Banks	145 483	137 074	261	614
Deemed interest on interest-free loans to LPM site owners (refer to note 13)	11 014	5 560	–	–
Other*	57 252	52 859	5 144	7 306
	213 749	195 493	5 405	7 920
	288 099	258 649	5 405	7 920

* Other interest most significantly includes interest on loans to associates and joint ventures of R12 million (2024: R13 million), dividends on redeemable preference shares of R23 million (2024: R18 million), interest on other loans of R13 million (2024: R7 million), interest from the South African Revenue Service of R1 million (2024: R2 million) and interest on tenant loans of R3 million (2024: R2 million).

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
28. INVESTMENT SURPLUS				
Gains on disposal of investment properties (refer to note 14.1)	3 973	4 165	–	–
(Losses)/gains on changes in holdings of equity-accounted investments (refer to note 6)	(53 517)	203 563	–	–
Hedging reserves recycled on disposal of equity-accounted investments (refer to notes 6 and 16)	–	(4 116)	–	–
Foreign currency translation reserves recycled on deemed disposal of equity-accounted investments (refer to notes 6 and 16)	842 254	–	–	–
(Losses)/gains on disposal of investments in subsidiaries				
– Subsidiary company shares (refer to notes 43.3 and 8)	(3 430)	–	2 903 070	–
– Subsidiary loan receivables (refer to note 8)	–	–	446 990	–
Gains on disposal of associates and joint ventures (refer to note 6)	–	286 616	677 155	94 451
	789 280	490 228	4 027 215	94 451



	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
29. IMPAIRMENT REVERSALS				
Impairment reversals on investments in associates and joint ventures (refer to note 6)	706 362	–	–	–
Impairment reversals on investments in subsidiaries (refer to note 8)				
– Subsidiary company shares	–	–	–	319 580
– Loans to subsidiaries	–	–	69 650	146 184
	706 362	–	69 650	465 764

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
30. ASSET IMPAIRMENTS				
Impairment of property, plant and equipment (refer to note 1)			231 050	95 799
Impairment of intangible assets – other (refer to note 5)			1 608 265	2 715 723
			1 839 315	2 811 522

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
31. IMPAIRMENT OF INVESTMENTS				
Impairment of investments in associates and joint ventures (refer to note 6)	5 951	13 181	–	–
Impairment of investments in subsidiaries (refer to note 8)				
– Subsidiary company shares	–	–	146 294	983 651
– Loans to subsidiaries	–	–	274 697	383 988
	5 951	13 181	420 991	1 367 639

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
32. FINANCE COSTS				
Interest in respect of:				
– Interest-bearing debt	1 164 197	1 222 808	27 400	4 236
– Lease liabilities (refer to note 24)	42 745	52 770	–	–
Day one loss on loans to LPM site owners (refer to note 36.3)	9 881	6 070	–	–
Cash flow hedges reclassified to profit or loss (refer to notes 7 and 36.3)	(1 885)	(54 310)	–	–
Preference dividends	174 854	189 803	–	–
Imputed interest on rehabilitation provision (refer to notes 20 and 36.3)	4 117	4 152	–	–
Amortisation of finance raising fees capitalised to borrowings (refer to notes 17 and 36.3)	519	2 773	–	–
South African Revenue Service and other sundry interest	2 830	1 087	–	–
	1 397 258	1 425 153	27 400	4 236

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Group	
	2025 R'000	2024 R'000
33. PROFIT BEFORE TAXATION		
The following items have been included in arriving at profit before taxation:		
Auditors' remuneration		
– Audit fees – current year*	62 804	52 624
– Audit fees – prior year	815	456
– Other services	6 334	5 986
Consultancy fees	199 012	95 301
Cost of sales		
– Branded products and manufacturing	2 846 331	2 695 686
– Coal mining	1 197 014	1 660 601
– Media and broadcasting	156 828	148 060
– Transport	498 208	163 887
Defined contribution plan expenses	131 908	128 525
Expected credit loss allowance, net of reversals (refer to notes 10 and 13)	29 227	875
Net foreign exchange gains	(26 998)	(8 614)
Gaming levies	922 818	972 982
Government grant income	(16 406)	(20 669)
Leases (refer to note 24):		
– Expenses relating to variable lease payments not included in the measurement of lease liabilities	109 259	116 165
– Low-value lease expenses	8 630	8 800
– Short-term lease expenses	39 905	43 188
Profit on disposal of property, plant and equipment	(9 680)	(9 194)
Research and development	3 934	3 005
Secretarial fees	75	73
Share-based payments:		
– Equity-settled (refer to note 37)	31 442	31 231
– Cash-settled (refer to note 19)	(38 594)	43 439
Staff costs	4 028 048	3 766 098
VAT on net gaming win	1 113 213	1 153 103

* Group audit fees include R7 million payable to Forvis Mazars Cape Town in respect of the Company and Group consolidation audits, as well as the audit of certain head office and HCI Properties companies.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
34. TAXATION				
South African taxes				
Current-year normal tax	906 989	1 006 329	3 327	14 225
Prior-year normal tax	6 593	4 627	20	333
Deferred normal tax	(367 491)	(661 332)	–	–
Deferred normal tax – prior-year (over)/under provision	(8 746)	38 646	–	–
	537 345	388 270	3 347	14 558



34. TAXATION continued

	Group		Company	
	2025 %	2024 %	2025 %	2024 %
Reconciliation of tax rate				
Normal tax rate	27	27	27	27
Exempt income/credits				
Dividend income	–	(2)	(9)	(82)
Share of profits of associates and joint ventures	–	(9)	–	–
Impairment reversals	(3)	–	(1)	(31)
Fair value adjustment on associate on gaining control	(16)	–	–	–
Other non-taxable income	(3)	(1)	–	–
Expenses/debits not deductible for tax purposes				
Impairment of non-current assets	–	1	2	93
Share of losses of associates and joint ventures	–	13	–	–
Non-deductible preference dividends accrued	1	5	–	–
Expenses disallowed for tax purposes	–	2	–	2
Foreign losses not deductible in South Africa	–	1	–	–
Capital gains tax rate differentials:				
Gain on disposal of shares	–	(6)	(19)	(5)
Fair value adjustments on investment property and shares	–	1	–	–
Other				
Deferred tax asset not recognised on assessed losses	1	2	–	–
Prior-year charges (net)	–	4	–	–
Raising of deferred tax assets	–	(3)	–	–
Specific allowable deductions	–	(1)	–	–
Effective tax rate	7	34	–	4

The income tax relating to each component of other comprehensive income is set out below:

	Group	
	2025 R'000	2024 R'000
Cash flow hedges	3 814	22 616
Fair value adjustments on equity instruments designated at fair value through other comprehensive income	30	–
Revaluation of owner-occupied land and buildings on transfer to investment properties	(1 489)	(918)
Actuarial losses/(gains) on post-employment benefit liabilities	876	(1 390)
	3 231	20 308

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

34. TAXATION continued

Various subsidiaries have incurred operating losses which result in losses for tax purposes. Losses for tax purposes available for set-off against future taxable income and for which deferred tax assets have not been raised are estimated at:

	Group	
	2025 R'000	2024 R'000
South African taxes		
– Normal tax	2 425 274	1 309 480
– Capital gains tax	785 074	396 869
Tax relief at current rates:		
– Normal tax	654 824	353 560
– Capital gains tax	169 576	85 724
Foreign taxes		
– Normal tax	742 665	–
Tax relief at current rates:		
– Normal tax	200 520	–

	Group	
	2025	2024
35. EARNINGS PER SHARE		
35.1 Earnings per share as presented on the statement of profit or loss is based on the weighted average number of 80 878 154 ordinary shares in issue (2024: 80 870 140).		
35.2 Diluted earnings per share is based on the weighted average number of 82 282 746 ordinary shares in issue (2024: 82 591 023). 986 533 share options issued in terms of The HCI Employee Share Scheme (2024: 365 911) have not been included due to the options being anti-dilutive.		
Reconciliation of weighted average number of shares:		
Used in calculation of earnings per share	80 878 154	80 870 140
Options outstanding in employee share scheme	1 404 592	1 720 883
Used in calculation of diluted earnings per share	82 282 746	82 591 023
35.3 Headline earnings per share (cents)		
Basic	1 499.53	1 453.62
Diluted	1 473.93	1 423.33
Dividend per share (cents)	170	100

	2025		2024	
	Gross R'000	Net R'000	Gross R'000	Net R'000
35. EARNINGS PER SHARE continued				
35.4 Reconciliation of headline earnings:				
Earnings attributable to equity holders of the parent		6 724 053		651 898
Gains on disposal of property, plant and equipment (refer to note 36)	(9 680)	(4 548)	(9 194)	(5 140)
Impairment of property, plant and equipment (refer to note 30)	231 050	70 896	95 799	43 219
Write-off of non-current assets held for sale	1 410	767	–	–
Losses on disposal of subsidiaries (refer to note 28)	3 430	1 717	–	–
Fair value adjustment on associate on gaining control (refer to note 6)	(4 547 307)	(4 547 307)	–	–
Foreign currency translation reserves recycled on deemed disposal of equity-accounted investments (refer to note 28)	(842 254)	(842 254)	–	–
Gains on disposal of interests in equity-accounted investments (refer to note 28)	–	–	(286 616)	(276 251)
Losses/(gains) on changes in holdings of equity-accounted investments (refer to note 28)	53 517	56 177	(203 563)	(187 288)
Hedging reserves recycled on disposal of equity-accounted investments (refer to note 28)	–	–	4 116	4 116
Impairment of equity-accounted investments (refer to note 31)	5 951	5 951	13 181	13 181
Impairment reversal on interest in equity-accounted investments (refer to note 29)	(706 362)	(649 377)	–	–
Write-off of equity-accounted investments (refer to note 6)	1 074	945	–	–
Impairment of intangible assets (refer to note 30)	1 608 265	585 997	2 715 723	990 644
Gains on disposal of investment properties (refer to note 28)	(3 973)	(2 441)	(4 165)	(2 773)
Fair value adjustments on investment properties	(310 641)	(171 501)	(38 044)	(18 369)
Insurance claims for capital assets	(15 077)	(7 381)	(13 844)	(7 073)
Remeasurements included in equity-accounted earnings of associates and joint ventures	(9 682)	(8 901)	(33 280)	(30 619)
– (Gains)/losses on disposal of plant and equipment	(340)	(313)	777	715
– Gains on disposal of subsidiaries	–	–	(1 473)	(1 355)
– Impairment reversal on interest in equity-accounted investments	(14 352)	(13 194)	–	–
– Reversal of impairment of assets	(24 094)	(22 150)	–	–
– Impairment of property, plant and equipment	81 984	75 370	–	–
– Fair value adjustments on investment properties	(52 880)	(48 614)	(32 584)	(29 979)
Headline earnings		1 212 793		1 175 545



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	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
36. NOTES TO THE CASH FLOW STATEMENT				
36.1 Cash generated by operations				
Profit for the year	7 022 161	745 688	5 575 516	383 369
Taxation	537 345	388 270	3 347	14 558
Depreciation and amortisation	1 133 606	1 218 507	–	–
Share-based payments	31 442	31 231	–	–
Gains on disposal of property, plant and equipment (refer to note 35)	(9 680)	(9 194)	–	–
Impairment of investments (refer to note 31)	5 951	13 181	420 991	1 367 639
Other impairments (refer to note 30)	1 839 315	2 811 522	–	–
Fair value adjustment on associate on gaining control (refer to note 6)	(4 547 307)	–	–	–
Equity-accounted (profits)/losses of associates and joint ventures (refer to note 6)	(77 439)	171 751	–	–
Foreign exchange differences	(37 474)	(6 176)	–	–
Fair value adjustments on investment properties	(310 641)	(38 044)	–	–
Fair value adjustments on financial instruments	25 012	59 807	2 746	(6 483)
Investment income	(288 099)	(258 649)	(5 405)	(7 920)
Finance costs	1 397 258	1 425 153	27 400	4 236
Non-cash dividends received (refer to note 26)	–	–	(1 369 309)	(35 768)
Investment surplus (refer to note 28)	(789 280)	(490 228)	(4 027 215)	(94 451)
Movement in provisions	15 712	6 841	–	–
Operating equipment usage	28 391	31 631	–	–
Post-retirement medical aid benefits (refer to note 18.2)	12 125	12 305	–	–
Long-term incentive (credits)/charges (refer to note 19)	(38 594)	43 439	–	–
Operating lease equalisation asset	3 012	163	–	–
Impairment reversals (refer to note 29)	(706 362)	–	(69 650)	(465 764)
Amortisation of intangible assets through operating expenses (refer to note 5)	29 193	11 041	–	–
Inventory write-down	13 824	4 064	–	–
Expected credit loss allowance, net of reversals	29 227	875	–	–
Receivables written off	4 586	16 594	–	–
Proceeds from insurance claims for capital assets	(15 077)	(13 844)	–	–
Gains on termination and modification of leases (refer to note 24)	(14 398)	(16 135)	–	–
Government grants	–	2 364	–	–
Deferred revenue and income	(15 781)	(5 832)	–	–
Other non-cash items	(3 056)	1 944	–	–
	5 274 972	6 158 269	558 421	1 159 416
36.2 Changes in working capital				
Inventory	(120 563)	107 008	–	–
Programming rights	(14 019)	(334 027)	–	–
Trade and other receivables	(22 809)	(126 559)	8 463	1 586
Trade and other payables	(280 971)	(11 866)	1 887	140
	(438 362)	(365 444)	10 350	1 726



		Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
36.	NOTES TO THE CASH FLOW STATEMENT continued				
36.3	Finance costs paid				
	Finance costs per statement of profit or loss	(1 397 258)	(1 425 153)	(27 400)	(4 236)
	Finance costs capitalised to property, plant and equipment (refer to note 1)	(11 286)	(2 182)	–	–
	Cash flow hedges reclassified to profit or loss (refer to notes 7 and 32)	(1 885)	(54 310)	–	–
	Net swap interest received/(paid) (refer to note 7)	3 781	(2 813)	–	–
	Net finance costs on interest-bearing debt capitalised (refer to note 17)	18 360	7 813	–	–
	Finance raising fees capitalised to borrowings (refer to note 17)	(1 531)	(795)	–	–
	Amortisation of finance raising fees capitalised to borrowings (refer to notes 17 and 32)	519	2 773	–	–
	Deemed finance costs on interest-free loans (refer to note 32)	9 881	6 070	–	–
	Imputed interest on rehabilitation provision (refer to notes 20 and 32)	4 117	4 152	–	–
	Interest accrued on lease liability (refer to note 24)	168	–	–	–
		(1 375 134)	(1 464 445)	(27 400)	(4 236)
36.4	Taxation paid				
	Receivable/(payable) at the beginning of the year	420	35 621	(44)	(243)
	Charges to the statement of profit or loss (refer to note 34)	(913 582)	(1 010 956)	(3 347)	(14 558)
	Business combinations (refer to note 43.2)	(567)	–	–	–
	(Receivable)/payable at the end of the year	(10 759)	(420)	742	44
		(924 488)	(975 755)	(2 649)	(14 757)
36.5	Dividends paid				
	Unclaimed dividends at 1 April	(33 143)	(31 934)	(2 302)	(2 302)
	Dividends declared during the year	(1 345 456)	(701 855)	(128 445)	–
	Dividends to non-controlling shareholders applied as loan repayments (refer to note 10)	1 636	918	–	–
	Unclaimed dividends at 31 March (refer to note 22)	36 306	33 143	2 291	2 302
		(1 340 657)	(699 728)	(128 456)	–
36.6	Business combinations/disposal of subsidiaries				
	Net cash inflow from acquisitions (refer to note 43.2)	323 636	–	–	–
	Net cash inflow from disposals (refer to note 43.3)	4 120	–	–	–
		327 756	–	–	–



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		Group		Company	
		2025 R'000	2024 R'000	2025 R'000	2024 R'000
36.	NOTES TO THE CASH FLOW STATEMENT continued				
36.7	Intangible asset additions				
	Additions to mineral intangible assets (refer to note 4)	(46 992)	(2 803)	–	–
	Additions to other intangible assets (refer to note 5)	(32 496)	(87 805)	–	–
	Utilisation of mining rehabilitation provision (refer to note 20)	(837)	(17 513)	–	–
	Capital expenditure creditors repaid	(7 241)	(553)	–	–
		(87 566)	(108 674)	–	–
36.8	Property, plant and equipment additions				
	Additions to property, plant and equipment (refer to note 1)	(1 365 533)	(1 335 137)	–	–
	New instalment sale agreements (refer to note 17)	258 583	173 047	–	–
	Capital expenditure creditors raised	14 159	10 860	–	–
		(1 092 791)	(1 151 230)	–	–
36.9	Cash and cash equivalents				
	Bank balances and deposits	3 169 309	1 712 305	891	11 301
	Bank overdrafts	(94 076)	(107 143)	(98)	–
	Cash in disposal group assets held for sale (refer to note 14)	–	289	–	–
		3 075 233	1 605 451	793	11 301

Foreign currency exposure

The carrying values of cash and cash equivalents denominated in foreign currencies are detailed in note 44.1.1.

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

Encumbrances

Details of the assets that serve as security for borrowings are presented in note 17.



37. HCI EMPLOYEE SHARE OPTION SCHEME

The Group operates a share option scheme, The HCI Employee Share Scheme (the Scheme), in terms of which shares in the Group are offered on a share option basis to participants, provided they remain in the Group's employ until the options vest. Any gain realised on the exercise of these options is settled on a net equity basis, whereby the participant receives that number of shares that equates in value to the gain made on exercise date.

Options must be exercised within six months of the vesting date, whereafter the options lapse. Options vest over periods of three to five years. These vesting periods may be varied by the board of directors.

Share options granted to eligible participants and outstanding at 31 March:

	2025		2024	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
Balance at the beginning of the year	2 985 819	70.98	3 013 894	71.25
Options granted	608 174	159.34	–	–
Options vested and exercised	(402 687)	56.17	–	–
Options vested and expired	(16 270)	87.71	(28 075)	100.35
Options forfeited	(12 501)	158.39	–	–
Balance at the end of the year	3 162 535	89.43	2 985 819	70.98

The fair value of options granted is measured using the Black-Scholes model. 608 174 share options, with a weighted average fair value of R57.98 per option, were granted during the current year (2024: nil) and were fair valued using a one-year volatility indicator of 24% and an annual discount rate of 7.75%. The 20-day volume weighted average share price on the date of grant was R177.05 and, due to the recent low dividend yield of the Company's share, no dividends were included in the fair value calculation. The cost relating to options is recognised by allocating the fair value over the vesting period on a straight-line basis. The Group recognised an expense of R31 million (2024: R31 million) relating to the Scheme in its profit or loss for the year.

The volume weighted average share price during the current year was R173.83 (2024: R198.71). The volume weighted average share price during the period that options were exercised was R152.78.

The vesting date and exercise period of options issued in terms of the Scheme and outstanding at 31 March 2025 are as follows:

	Exercise price R	Number of share options	
		2025	2024
29 August 2024 and 28 February 2025	87.71	–	16 270
13 December 2024 and 13 June 2025	69.44	263 773	401 064
18 December 2024 and 18 June 2025	49.30	435 049	700 445
1 December 2025 and 1 June 2026	158.39	3 940	8 107
13 December 2025 and 13 June 2026	69.44	401 059	401 059
18 December 2025 and 18 June 2026	49.30	700 435	700 435
1 December 2026 and 1 June 2027	158.39	345 117	349 284
13 December 2026 and 13 June 2027	69.44	401 049	401 049
1 December 2027 and 1 June 2028	158.39	3 939	8 106
20 December 2027 and 20 June 2028	159.34	574 853	–
20 December 2028 and 20 June 2029	159.34	16 661	–
20 December 2029 and 20 June 2030	159.34	16 660	–
		3 162 535	2 985 819

A maximum number of 2 209 196 (2024: 2 131 647) shares may be issued in respect of 3 162 535 (2024: 2 985 819) options issued in terms of the Scheme.

The maximum number of shares that may be utilised for the purposes of the Scheme is 10 500 000 shares. In addition to the options in issue at the reporting date and shares already delivered to participants, a further 7 401 916 (2024: 7 754 306) shares may be utilised by the Scheme. 274 841 shares were delivered to participants during the current year (2024: nil).

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

		2025		2024	
		Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
37. HCI EMPLOYEE SHARE OPTION SCHEME continued					
Options granted to executive directors:					
JA Copelyn					
Balance at the beginning of the year		750 998	68.89	750 998	68.89
Options granted		145 832	159.34	–	–
Balance at the end of the year		896 830	83.60	750 998	68.89
Unconditional between the following dates:					
13 December 2024 and 13 June 2025		96 793	69.44	96 793	69.44
18 December 2024 and 18 June 2025		189 682	49.30	189 682	49.30
13 December 2025 and 13 June 2026		96 793	69.44	96 793	69.44
18 December 2025 and 18 June 2026		189 682	49.30	189 682	49.30
1 December 2026 and 1 June 2027		81 255	158.39	81 255	158.39
13 December 2026 and 13 June 2027		96 793	69.44	96 793	69.44
20 December 2027 and 20 June 2028		145 832	159.34	–	–
JR Nicolella					
Balance at the beginning of the year		390 334	68.89	390 334	68.89
Options granted		35 691	159.34	–	–
Balance at the end of the year		426 025	76.47	390 334	68.89
Unconditional between the following dates:					
13 December 2024 and 13 June 2025		50 309	69.44	50 309	69.44
18 December 2024 and 18 June 2025		98 588	49.30	98 588	49.30
13 December 2025 and 13 June 2026		50 308	69.44	50 308	69.44
18 December 2025 and 18 June 2026		98 588	49.30	98 588	49.30
1 December 2026 and 1 June 2027		42 233	158.39	42 233	158.39
13 December 2026 and 13 June 2027		50 308	69.44	50 308	69.44
20 December 2027 and 20 June 2028		35 691	159.34	–	–
TG Govender					
Balance at the beginning of the year		325 794	68.89	325 794	68.89
Options granted		63 264	159.34	–	–
Balance at the end of the year		389 058	83.60	325 794	68.89
Unconditional between the following dates:					
13 December 2024 and 13 June 2025		41 990	69.44	41 990	69.44
18 December 2024 and 18 June 2025		82 287	49.30	82 287	49.30
13 December 2025 and 13 June 2026		41 990	69.44	41 990	69.44
18 December 2025 and 18 June 2026		82 287	49.30	82 287	49.30
1 December 2026 and 1 June 2027		35 250	158.39	35 250	158.39
13 December 2026 and 13 June 2027		41 990	69.44	41 990	69.44
20 December 2027 and 20 June 2028		63 264	159.34	–	–



	2025		2024	
	Number of share options	Weighted average exercise price R	Number of share options	Weighted average exercise price R
37. HCI EMPLOYEE SHARE OPTION SCHEME continued				
Options granted to executive directors:				
Y Shaik				
Balance at the beginning of the year	323 351	68.89	323 351	68.89
Options granted	62 790	159.34	–	–
Options exercised	(81 670)	49.30	–	–
Balance at the end of the year	304 471	92.80	323 351	68.89
Unconditional between the following dates:				
13 December 2024 and 13 June 2025	41 676	69.44	41 676	69.44
18 December 2024 and 18 June 2025	–	–	81 670	49.30
13 December 2025 and 13 June 2026	41 675	69.44	41 675	69.44
18 December 2025 and 18 June 2026	81 670	49.30	81 670	49.30
1 December 2026 and 1 June 2027	34 985	158.39	34 985	158.39
13 December 2026 and 13 June 2027	41 675	69.44	41 675	69.44
20 December 2027 and 20 June 2028	62 790	159.34	–	–

38. DIRECTORS' SHAREHOLDINGS

	Direct beneficial		Indirect beneficial		Associates	
	Number	% holding	Number	% holding	Number	% holding
2025						
Executive directors						
JA Copelyn	–	–	6 694 953	7.7	8 496 901	9.8
JR Nicolella	152 097	0.2	–	–	6 060	–
TG Govender	–	–	17 250	–	915 534	1.1
Y Shaik	66 755	0.1	–	–	–	–
Non-executive directors						
L McDonald	1 100	–	–	–	–	–
JG Ngcobo	1 750	–	–	–	–	–
	221 702	0.3	6 712 203	7.7	9 418 495	10.9
2024						
Executive directors						
JA Copelyn	–	–	6 490 077	7.6	8 496 901	9.9
JR Nicolella	152 097	0.2	–	–	20 410	–
TG Govender	–	–	17 250	–	915 534	1.1
Y Shaik	66 755	0.1	–	–	–	–
Non-executive directors						
L McDonald	1 100	–	–	–	–	–
JG Ngcobo	1 750	–	–	–	–	–
	221 702	0.3	6 507 327	7.6	9 432 845	11.0

There were no changes in directors' shareholdings between 31 March 2025 and the date of issue of this report.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

39. DIRECTORS' EMOLUMENTS

	Note	Board fees R'000	Salary R'000	Other benefits R'000	Share-based payment expense R'000	Bonus R'000	Total R'000
2025							
Executive directors*							
JA Copelyn		–	9 817	–	7 581	6 222	23 620
JR Nicolella**		–	5 973	150	3 747	3 363	13 233
TG Govender***		–	4 897	–	3 289	1 404	9 590
Y Shaik		–	5 072	–	3 264	2 743	11 079
Non-executive directors							
MH Ahmed	1	912	–	–	–	–	912
MF Magugu	2	714	–	–	–	–	714
L McDonald		402	–	–	–	–	402
SNN Mkhwanazi****	3	587	–	–	–	–	587
VE Mphande	4	1 566	–	–	–	–	1 566
JG Ngcobo	5	731	–	–	–	–	731
R Watson	6	1 683	–	–	–	–	1 683
		6 595	25 759	150	17 881	13 732	64 117

* All executive directors have normal employment contracts and notice periods of three months. Details on the remuneration packages and other benefits of these directors are presented in the report of the remuneration committee in the integrated annual report.

** Resigned 29 May 2025.

*** Changed from part-time to full-time employee in the current year.

**** Resigned 14 April 2025.

1. Includes R201 083 audit and risk committee fees and R309 000 board fees paid by subsidiary companies.

2. Includes R105 867 remuneration committee fees and R206 000 board fees paid by subsidiary companies.

3. Includes R185 000 board fees paid by subsidiary companies.

4. Includes R1 164 000 board fees paid by subsidiary companies.

5. Includes R75 542 audit and risk committee fees, R75 542 remuneration committee fees, R50 000 social and ethics committee fees and R128 000 board fees paid by subsidiary companies.

6. Includes R75 542 audit and risk committee fees, R75 542 remuneration committee fees, R50 000 social and ethics committee fees and R1 080 000 board fees paid by subsidiary companies.

	Note	Board fees R'000	Salary R'000	Other benefits R'000	Share-based payment expense R'000	Bonus R'000	Total R'000
2024							
Executive directors							
JA Copelyn		–	9 218	–	7 537	6 913	23 668
JR Nicolella		–	5 624	125	3 918	3 737	13 404
TG Govender		–	2 399	–	3 270	1 560	7 229
Y Shaik		–	4 763	–	3 245	3 096	11 104
Non-executive directors							
MH Ahmed	1	857	–	–	–	–	857
MF Magugu	2	575	–	–	–	–	575
L McDonald		377	–	–	–	–	377
SNN Mkhwanazi		377	–	–	–	–	377
VE Mphande	3	1 485	–	–	–	–	1 485
JG Ngcobo	4	693	–	–	–	–	693
R Watson	5	1 565	–	–	–	–	1 565
		5 929	22 004	125	17 970	15 306	61 334

1. Includes R188 292 audit and risk committee fees and R292 000 board fees paid by subsidiary companies.

2. Includes R99 150 social and ethics committee fees and R99 000 board fees paid by subsidiary companies.

3. Includes R1 108 000 board fees paid by subsidiary companies.

4. Includes R70 842 audit and risk committee fees, R70 842 remuneration committee fees, R46 608 social and ethics committee fees and R128 000 board fees paid by subsidiary companies.

5. Includes R70 842 audit and risk committee fees, R70 842 remuneration committee fees, R46 608 social and ethics committee fees and R1 000 000 board fees paid by subsidiary companies.



40. SEGMENT INFORMATION

The following are the summarised results for the various reportable operating segments:

	Revenue		Net gaming win	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	3 155 470	3 059 299	–	–
Gaming	1 714 675	1 655 750	9 245 388	9 672 551
Transport	3 035 042	2 603 872	–	–
Properties	327 206	307 467	–	–
Coal mining	1 469 603	2 236 850	–	–
Branded products and manufacturing	3 612 488	3 373 021	–	–
Other	112 784	69 746	–	–
	13 427 268	13 306 005	9 245 388	9 672 551

	Property rental income		Staff costs	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	18 893	17 681	(322 192)	(314 272)
Gaming	187 988	175 775	(1 867 863)	(1 750 963)
Transport	1 961	–	(959 759)	(921 672)
Properties	400 692	389 012	(40 778)	(36 593)
Coal mining	–	–	(53 557)	(42 416)
Branded products and manufacturing	136 742	154 686	(632 458)	(601 797)
Oil and gas prospecting	–	–	(45 852)	–
Other	17 848	17 516	(105 589)	(98 385)
	764 124	754 670	(4 028 048)	(3 766 098)

	EBITDA		Depreciation and amortisation	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	576 161	651 926	(112 165)	(118 276)
Gaming	3 426 427	3 860 681	(710 485)	(757 320)
Transport	652 530	593 547	(119 291)	(105 394)
Properties	328 393	317 642	(10 717)	(9 387)
Coal mining	115 886	428 427	(71 415)	(129 444)
Branded products and manufacturing	365 420	347 645	(103 432)	(94 792)
Oil and gas prospecting	(91 541)	–	(2 371)	–
Other	(131 756)	(152 910)	(3 730)	(3 894)
	5 241 520	6 046 958	(1 133 606)	(1 218 507)

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

40. SEGMENT INFORMATION continued

	Interest income		Equity-accounted earnings/(losses)	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	19 625	25 455	10 540	9 521
Gaming	52 417	44 420	1 745	8 765
Hotels	–	–	461 341	369 787
Transport	33 723	56 981	4 089	2 533
Properties	21 116	18 528	(76)	1 395
Coal mining	7 537	9 974	–	–
Branded products and manufacturing	3 842	1 370	–	–
Oil and gas prospecting	35 878	–	(363 078)	(528 175)
Palladium prospecting	–	–	(21 394)	(25 118)
Other	39 611	38 765	(15 728)	(10 459)
	213 749	195 493	77 439	(171 751)

	Impairment of assets and investments		Finance costs	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	–	–	(53 153)	(67 105)
Gaming	(1 836 977)	(2 801 224)	(760 633)	(749 017)
Transport	(2 338)	(8 711)	(34 616)	(23 897)
Properties	–	–	(197 923)	(203 726)
Coal mining	–	–	(4 904)	(14 628)
Branded products and manufacturing	–	(1 587)	(112 663)	(124 686)
Oil and gas prospecting	–	–	(362)	–
Other	(5 951)	(13 181)	(233 004)	(242 094)
	(1 845 266)	(2 824 703)	(1 397 258)	(1 425 153)

	Profit/(loss) before tax		Taxation	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	441 008	501 521	(113 200)	(129 016)
Gaming	282 324	(336 168)	(123 004)	40 507
Hotels	1 167 703	369 787	–	–
Transport	534 097	515 059	(134 544)	(114 827)
Properties	404 558	168 301	(93 442)	(44 709)
Coal mining	80 146	319 695	(16 199)	(92 466)
Branded products and manufacturing	165 173	132 698	(40 691)	(27 437)
Oil and gas prospecting	4 968 087	(528 175)	–	–
Palladium prospecting	(21 394)	(25 118)	–	–
Other	(462 196)	16 358	(16 265)	(20 322)
	7 559 506	1 133 958	(537 345)	(388 270)

40. SEGMENT INFORMATION continued

	Headline earnings/(loss)*	
	2025 R'000	2024 R'000
Media and broadcasting	187 219	212 088
Gaming	747 448	880 364
Hotels	415 222	309 603
Transport	315 277	321 004
Properties	83 333	75 347
Coal mining	63 756	226 840
Branded products and manufacturing	99 233	87 922
Oil and gas prospecting	(296 532)	(528 175)
Palladium prospecting	(21 394)	(25 118)
Other	(380 769)	(384 330)
	1 212 793	1 175 545

* Refer to note 35.

	Non-current borrowings		Current borrowings	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	485 319	445 649	62 923	117 772
Gaming	6 362 757	7 946 027	1 066 326	162 743
Transport	327 968	182 462	95 665	73 504
Properties	1 325 700	1 714 003	480 883	257 503
Branded products and manufacturing	71 373	787 339	630 028	49 669
Other	2 702 033	850 161	54 956	1 767 360
	11 275 150	11 925 641	2 390 781	2 428 551

	Cash and cash equivalents		Bank overdrafts	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Media and broadcasting	210 633	172 313	–	–
Gaming	479 294	634 833	28 693	43 958
Transport	537 675	462 201	–	–
Properties	153 152	117 365	–	–
Coal mining	120 575	35 786	–	–
Branded products and manufacturing	103 971	153 195	65 285	63 185
Oil and gas prospecting	891 201	–	–	–
Other	672 808	136 612	98	–
	3 169 309	1 712 305	94 076	107 143

The Group's segmental reporting has been enhanced, in line with the disclosure requirements of IFRS 8 *Operating Segments*, to be consistent with the results and balances that are regularly reviewed by the Group's executive committee. The comparatives have been updated accordingly.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

40. SEGMENT INFORMATION continued

	Group	
	2025 R'000	2024 R'000
Group income is attributable to the following geographical areas:		
South Africa	23 299 931	23 628 150
Other African countries and Middle East	123 708	101 802
Europe and United Kingdom	13 141	3 274
	23 436 780	23 733 226
Non-current assets ¹ of the Group are held in the following geographical areas:		
South Africa	39 173 537	38 918 697
Other African countries and Middle East	12 219 995	28
Europe and United Kingdom	1 886 394	3 346 952
Canada	611 088	609 750
	53 891 014	42 875 427

¹ Excludes financial instruments and deferred tax assets.

41. RELATED PARTY TRANSACTIONS

The Company's most significant shareholder is Southern African Clothing and Textile Workers Union (SACTWU) which, at the reporting date, directly owned 22.5% (2024: 23.3%) of the Company's issued share capital (excluding treasury shares).

Transactions and balances between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed for the Group. Related party transactions and balances are as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
41.1 Dividend income from:	–	–	1 940 880	1 211 488
– Subsidiaries	–	–	1 923 523	1 211 488
– Associates and joint ventures	–	–	17 357	–
41.2 Key management compensation was paid as follows:				
Salaries and other short-term employee benefits	179 671	186 155	–	–
Post-employment benefits	3 152	2 782	–	–
Other long-term benefits	765	513	–	–
Termination benefits	–	592	–	–
Share-based payments	25 922	39 690	–	–
	209 510	229 732	–	–
Details of directors' remuneration are disclosed in note 39.				
41.3 Related party balances included in trade and other receivables and current borrowings are as follows:				
Loans (including accrued interest) to SACTWU ¹	10 319	9 113	10 319	9 113
Loans (including accrued interest) to Africa Energy Corp. (refer to note 13)	–	54 927	–	–
Borrowings from SACTWU ²	(54 897)	(54 897)	(54 897)	(54 897)

¹ The terms of the loans to SACTWU are set out in note 13.

² The terms of the borrowings from SACTWU are set out in note 17.

Details of investments in and loans to and from associates, joint ventures and subsidiaries are set out in notes 6, 8, 13 and annexure A.

42. CONTINGENCIES

Group

The Group has established bank guarantees totalling R74 million (2024: R58 million) in favour of the Department of Mineral Resources and Energy against the future rehabilitation of its operations at Palesa Colliery. A Rehabilitation Trust Fund has been registered for this purpose with all funds invested in unit trust funds (refer to note 7). These investments had a carrying value of R34 million (2024: R31 million) at the reporting date.

The Group has entered into various agreements with its bankers and the respective gambling boards, utility boards, suppliers and municipalities whereby the bank has guaranteed agreed capital amounts not exceeding R117 million (2024: R117 million) for gambling board taxes and working capital and a maximum of R21 million (2024: R24 million) for utility expenses. Landlord rental guarantees totalling R11 million (2024: R13 million) have also been provided through bank guarantees.

In terms of the 90-year Notarial Deed of Lease entered into with the Khara Hais Municipality, a subsidiary, Kalahari Village Mall Proprietary Limited, will have an obligation to pay rent to the lessor, monthly in arrears, from the date of commencement of trade of the Kalahari Village Mall Shopping Centre. The monthly rent payable will be calculated as per the following formula:

- for the first 15 years after commencement of trade: 5% of income after deduction of operating expenses; and
- for the remaining 75 years of the lease period: 8% of income after deduction of operating expenses.

A repurchase of service provision was raised, as set out in note 20, in respect of retrenchment costs that will be payable to employees should the government open public passenger transport services to competitive tendering in future. A Bus Industry Restructuring Fund was set up in 1999 to compensate employers for said retrenchment costs, however, a reliable estimate of the amount receivable cannot be made at the reporting date.

Main Street 1549 entered into farm-in agreements which make provision for the payment of a discovery bonus in the event of a commercial discovery and granting of a production right. The Group may be required to provide suitable guarantees to support this discovery bonus obligation. Further details are provided in note 7.

Company

- Guarantees in favour of Rand Merchant Bank Limited (RMB) in respect of the obligations of a subsidiary, HCI Resources Proprietary Limited. The amount of the guarantees is limited to R54 million (2024: R54 million).
- A guarantee in favour of Sasol Oil Proprietary Limited in respect of obligations of a subsidiary, Palesa Coal Proprietary Limited. The amount of the guarantee is limited to R12 million (2024: R12 million).
- In the prior year guarantees and suretyships to First Rand Bank Limited (First Rand), ABSA Bank Limited (ABSA), Investec Bank Limited (Investec) and The Standard Bank of South Africa Limited (Standard Bank) were in issue for the preference share debt granted to TIH Prefco (RF) Proprietary Limited (TIH Prefco). As of 13 December 2024 these guarantees and suretyships were cancelled following the refinance of these borrowings. The Company has entered into a conditional capitalisation agreement with TIH Prefco whereby it will capitalise TIH Prefco to the extent necessary, should it not be able to meet its obligations in respect of the preference share debt issued. At 31 March 2025 an amount of R1 078 million (2024: R1 078 million) was owing to First Rand in respect of preference share debt, with a further R683 million (2024: R560 million) owing to ABSA. Preference share debt totalling R390 million (2024: R200 million) and R455 million (2024: R455 million) were owing to Investec and Standard Bank, respectively, at the reporting date.
- Guarantees and suretyships to Investec for a term loan granted to HCI Treasury Proprietary Limited (HCIT). At 31 March 2025 no amount (2024: R190 million) remained owing to Investec.
- Guarantees and suretyships to ABSA, Investec and Standard Bank in respect of short-term facilities granted to HCIT. No balances were owing on these facilities at the reporting date (2024: Rnil).

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

42. CONTINGENCIES continued

Company continued

The Company has issued guarantees in favour of a number of financial institutions in respect of the obligations of subsidiaries for the purchase and/or development of investment properties. Guarantees issued are limited to the following amounts:

Financial institution	Subsidiary	Company	
		2025 R'000	2024 R'000
Investec Bank Limited	Permasolve Investments Proprietary Limited	69 300	69 300
	Kalahari Village Mall Proprietary Limited	46 600	46 600
	Lynnridge Shopping Centre Proprietary Limited	100 000	100 000
	HCI – Sydney Road Proprietary Limited	31 000	31 000
	HCI – The Palms Proprietary Limited	36 000	36 000
	HCI – Whale Coast Village Proprietary Limited	40 000	40 000
	HCI – Shell House Proprietary Limited	85 000	85 000
	GE Property and Marketing Proprietary Limited	–	33 250
	HCI Solly Sachs House Proprietary Limited	125 000	125 000
The Standard Bank of South Africa Limited	HCI Monte Precinct Proprietary Limited	–	74 800
First Rand Bank Limited	Highland Night Investments 93 Proprietary Limited	15 000	15 000
Nedbank Limited	HCI Cecilia Precinct Proprietary Limited	28 000	28 000
	La Concorde Builders Precinct Proprietary Limited	18 558	18 600
	HCI – Rand Daily Mail Proprietary Limited	5 500	5 500
		599 958	708 050

Management has considered the financial position of these entities, including its solvency and forecast cash flow, and has assessed the probability of default as low, and any loss given default as insignificant. On this basis the liability for financial guarantees was determined to be Rnil (2024: Rnil) at 31 March 2025.

43. BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARIES

43.1 Subsidiaries acquired

	Principal activity	Date of acquisition	Proportion of shares acquired
Oil and gas prospecting			
<i>Impact Oil & Gas Limited (IOG)</i>			
During July 2024 the Group acquired a further interest in the issued share capital of IOG, an associate company of the Group. The Group gained control of the company as a result of the increase in its shareholding from 48.4% to 51.4% as detailed in note 6.	Oil and gas exploration	19 July 2024	51.4%
<i>Africa Energy Corp. (AEC)</i>			
AEC became an associate of the Group through the acquisition of IOG as detailed above. On 31 March 2025 the Group obtained a further interest in the issued share capital of AEC, increasing its effective interest in the company to 47.9% and its control of voting rights to 58.2% (refer to note 6).	Oil and gas exploration	31 March 2025	58.2%
Branded products and manufacturing			
<i>Picko Consulting Proprietary Limited (Picko Consulting) and Picko Global Proprietary Limited (Picko Global)</i>			
On 31 July 2024 the Deneb group acquired a 75% shareholding in Agglowaste Holding Proprietary Limited (Agglowaste). By virtue of this acquisition, the group obtained a 75% indirect shareholding in Picko Consulting. On 1 March 2025 Agglowaste acquired 100% of the share capital of Picko Global.	Transformation of byproducts and environmental waste into saleable products	31 July 2024/ 1 March 2025	75.0%
<i>Puretech Limited (Puretech)</i>			
On 1 October 2024 the Deneb group, via its subsidiary Deneb Investments UK Limited, acquired an 80% shareholding in Puretech, a company based in the United Kingdom.	Water treatment engineering	1 October 2024	80.0%

These businesses were acquired in executing the Group's growth and diversification strategy.



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

43. BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARIES continued

43.2 Cost of acquisition, net cash flow on acquisition and analysis of assets and liabilities acquired

	Note	Oil and gas prospecting			Total R'000
		Impact Oil & Gas Limited R'000	Africa Energy Corp. R'000	Branded products and manufacturing R'000	
Non-current assets					
Property, plant and equipment	1	–	–	6 142	6 142
Right-of-use assets	24	1 982	–	3 322	5 304
Intangible assets – minerals	4	14 455 653	–	–	14 455 653
Intangible assets – other	5	–	–	18 454	18 454
Financial assets	7	–	712 821	–	712 821
Investment in associates and joint ventures	6	401 204	27 626	–	428 830
Deferred tax asset	9	–	–	315	315
Current assets					
Trade and other receivables		11 652	1 665	7 221	20 538
Inventory		–	–	2 233	2 233
Current income tax assets	36.4	–	–	197	197
Cash and cash equivalents		855 147	85 750	6 049	946 946
Non-current liabilities					
Deferred tax liability	9	(3 650 200)	–	(66)	(3 650 266)
Interest-bearing borrowings	17	–	–	(462)	(462)
Lease liabilities	24	–	–	(2 234)	(2 234)
Current liabilities					
Interest-bearing borrowings	17	–	–	(239)	(239)
Trade and other payables		(274 810)	(10 447)	(17 880)	(303 137)
Current income tax liabilities	36.4	–	–	(764)	(764)
		11 800 628	817 415	22 288	12 640 331
Non-controlling interests		(5 739 825)	(426 301)	(424)	(6 166 550)
Fair value of existing interest	6	(7 481 295)	(205 822)	–	(7 687 117)
Goodwill on acquisition	3	1 874 353	40 103	4 537	1 918 993
Cost of acquisition		453 861	225 395	26 401	705 657
Cash balances acquired		(855 147)	(85 750)	(6 049)	(946 946)
Settlement of shareholder borrowings by share issue	13	–	(82 347)	–	(82 347)
Net cash (inflow)/outflow on acquisition	36.6	(401 286)	57 298	20 352	(323 636)

Contingent consideration

Contingent consideration relating to the acquisition of Picko Consulting is payable if profits exceed a certain threshold. However, the Group does not have sufficient information to determine the fair value by the date of reporting.

Measurement of fair values

The assets and liabilities acquired by the Group's branded products and manufacturing operations have been measured on a provisional basis. If new information is obtained within one year of the date of acquisition about the facts and circumstances that existed at the date of acquisition, the accounting for the acquisition will be revised.

Non-controlling interests

Non-controlling interests were recognised at the proportionate share of the acquiree's identifiable net assets for all business combinations.

43. BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARIES continued

43.3 Proceeds on disposal, net cash flow on disposal and analysis of assets and liabilities disposed

	Note	Gaming R'000
Non-current assets		
Property, plant and equipment	1	(1 019)
Right-of-use assets	24	(739)
Current assets		
Trade and other receivables		(119)
Inventory		(67)
Non-current liabilities		
Lease liabilities	24	1 019
		(925)
Non-controlling interests		(6 625)
Loss on disposal of subsidiary	28	3 430
Net cash inflow on disposal	36.6	(4 120)

43.4 Impact of acquisitions on Group results

The impact the acquired businesses had on the results of the Group, together with the impact on the Group's results had these acquisitions been effective from 1 April 2024, are set out in the table below. IOG had been carried as an equity-accounted investment prior to acquisition and the losses below have effectively all been included in the current year's Group results. Similarly, the Group had carried AEC as an investment in associate from the date of IOG's acquisition to 31 March 2025, while it was carried as an equity-accounted investment by IOG prior to that entity's acquisition by the Group. As a result, the Group has effectively recognised its share of AEC's after-tax losses from 1 April 2024 in the current year's results.

	IOG R'000	AEC R'000	Picko Consulting R'000	Picko Global R'000	Puretech R'000
Revenue contributed to the Group from date of effective control	–	–	37 571	729	10 316
Net (loss)/profit contributed to the Group from date of effective control	(64 297)	–	(1 383)	91	473
Revenue contributed to the Group had the acquisition been effective from 1 April 2024	–	–	49 103	8 748	18 689
Net (loss)/profit contributed to the Group had the acquisition been effective from 1 April 2024	(235 260)	(262 030)	(8 274)	1 092	1 365

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

43. BUSINESS COMBINATIONS AND DISPOSAL OF SUBSIDIARIES continued

43.5 Business combination subsequent to reporting date

At 31 March 2025 the La Concorde Holdings group held 45% of the issued share capital of Paarl Vallei Bottelerings Maatskappy Proprietary Limited. On 23 June 2025, and following approval from the Competition Commission, the group acquired an additional 7.7% interest in the company for a purchase consideration of R5 million, increasing its effective shareholding to 52.7%.

The fair value of the net assets acquired, for which the purchase price allocation remains provisional, is as follows:

	R'000
Non-current assets	84 216
Current assets	84 855
Non-current liabilities	(44 576)
Current liabilities	(43 597)
	80 898
Non-controlling interests	(38 247)
Fair value of existing interest	(25 646)
Gain on bargain purchase	(11 578)
Purchase consideration	5 427

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and other market price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments to hedge foreign currency risk exposures.

Risk management is carried out by the treasury departments of the major operating units under policies approved by their boards of directors. Their boards provide principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, use of derivative and non-derivative financial instruments and investing excess liquidity. Credit risk is also managed at an entity level for trade receivables.

44.1.1 Market risk Currency risk

The Group is exposed to foreign exchange risk arising from various currencies, but primarily in respect of the British Pound and US Dollar as detailed below. Foreign exchange risk arises from exposure in foreign operations due to trading transactions denominated in currencies other than the functional currency. Foreign currency imports and exports within the Group are managed using forward exchange contracts. The Company did not have significant exposure to currency risk at the end of the current or prior year.

The following significant exchange rates applied during the year:

	Average rate		Reporting date	
	2025 R	2024 R	2025 R	2024 R
British Pound	23.26	23.98	23.67	23.95
United States Dollar	18.23	18.75	18.30	18.99

A 10% strengthening of the functional currency against the British Pound or US Dollar at 31 March would have decreased pre-tax profit or loss by R16 million (2024: Rnil) and R102 million (2024: R9 million increase), respectively, with a 10% weakening of the functional currency against the British Pound or US Dollar having the equal but opposite effect on profit or loss. This analysis assumes that all other variables, in particular interest rates, remain constant and was performed on a basis that is consistent with 2024.

The following carrying amounts were exposed to foreign currency exchange risk at 31 March:

	2025 R'000	2024 R'000
Trade and other receivables		
Australian Dollar	112	–
British Pound	28 336	–
Euro	–	906
Swiss Franc	–	21
United States Dollar	15 708	69 213
Cash and cash equivalents		
Australian Dollar	6	–
British Pound	156 355	265
Euro	266	212
Swiss Franc	1 533	2 789
United States Dollar	1 401 141	46 051
Borrowings		
British Pound	290	–
Swiss Franc	–	1 543
Trade and other payables		
British Pound	22 752	–
Chinese Yuan	842	–
Euro	946	2 434
Swiss Franc	4 009	210
United States Dollar	395 167	203 835



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

44. FINANCIAL RISK MANAGEMENT continued

44.1 Financial risk factors continued

44.1.1 Market risk continued

Interest rate risk

The Group's and Company's primary interest rate risk arises from borrowings and bank overdrafts. Borrowings at variable rates expose the Group and Company to cash flow interest rate risk and borrowings at fixed rates expose the Group to fair value interest rate risk. As part of the process of managing the Group's interest rate risk, interest rate characteristics of new borrowings are positioned according to expected movements in interest rates. The Company's borrowings are mainly interest free, and therefore do not expose the Company to significant interest rate risk at the reporting date.

At 31 March the interest rate profile of interest-bearing financial instruments, including the effect of interest rate swaps and bank overdrafts, was:

	Carrying amount			
	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Fixed rate instruments				
Financial assets	75 000	54 927	–	–
Financial liabilities*	(558 830)	(5 432 171)	–	–
	(483 830)	(5 377 244)	–	–
Variable rate instruments				
Financial assets	3 303 983	1 858 933	11 210	20 414
Financial liabilities*	(13 201 177)	(9 029 164)	(98)	–
	(9 897 194)	(7 170 231)	11 112	20 414

* The change in the interest rate profile of the Group's borrowings can most significantly be ascribed to the Group's interest rate swaps maturing on 31 May 2024 (refer to notes 7 and 17).

Fair value sensitivity analysis for fixed rate instruments

A change of 100 basis points in interest rates would have increased or decreased the Group's profit or loss after tax by R4 million (2024: R39 million).

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates would have increased or decreased the Group's profit or loss after tax by R72 million (2024: R52 million) and the Company's profit or loss by less than R1 million (2024: less than R1 million). This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis as for 2024.

The Financial Stability Board (FSB) has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. Following global markets, South Africa will transition from the Johannesburg Interbank Average rate (JIBAR) to the South African Rand Overnight Index Average (ZARONIA) for cash and derivative instruments. In May 2024 the SARB released a publication prepared by the Market Practitioners Group (MPG) providing an update on the JIBAR transition plan, including detail on key milestones and expected timelines. The MPG's transition plan is divided into "three pillars", the adoption of the new benchmark in derivatives markets for new contracts, cash markets for new contracts and the transition of legacy JIBAR positions. The cessation of JIBAR will likely be announced in 2025, followed by the formal cessation date at the end of 2026. Group borrowings, totalling R5 386 million at the reporting date, are linked to JIBAR and have maturity dates after 31 December 2026. These borrowings are expected to be impacted by the JIBAR to ZARONIA reform.

Other price risk

The Group was exposed to equity price risk in respect of its investments in Montauk Renewables and City Lodge Hotels, companies listed on the Nasdaq Capital Market and JSE, respectively, as well as its investments in unit trust funds and the unlisted equity of SunWest Casino, Worcester Casino and Main Street 1549. Details on these investments are provided in note 7.

44. FINANCIAL RISK MANAGEMENT continued

44.1 Financial risk factors continued

44.1.2 Credit risk

The Group's concentration of credit risk is considered to be low, as its debtors are spread over several industries and operate in largely independent markets. Credit risk is managed at entity level and arises most significantly from cash and cash equivalents, deposits with banks and financial institutions, derivative financial instruments, loans receivable, financial guarantees and credit exposure to the Group's customer base, including outstanding receivables. For banks and financial institutions, only audit and risk committee-approved parties are accepted on behalf of the board of directors. The Group has policies that limit the amount of credit exposure to any bank and financial institution, including setting credit limits based on their credit ratings and generally only dealing with reputable financial institutions with strong credit ratings. The Group performs ongoing credit evaluations of the financial condition of its customers and the utilisation of credit limits are regularly monitored. Refer to note 13 for further credit risk analysis in respect of trade and other receivables. Company loans to subsidiaries are disclosed in Annexure A.

The table below shows the maximum exposure to credit risk by class of asset:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Derivatives used for hedging (refer to note 7)	4 479	11 486	–	–
Receivables	2 250 741	2 249 437	3 265 969	5 452 696
Cash and cash equivalents	3 169 309	1 712 305	891	11 301
Financial guarantees (refer to note 42)	888 958	3 469 050	665 958	3 257 050
	6 313 487	7 442 278	3 932 818	8 721 047

44.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses the treasury functions of the major subsidiaries aim to maintain flexibility in funding by keeping committed credit lines available. Management monitors rolling forecasts of the Group's and Company's liquidity headroom on the basis of expected cash flow and the resultant borrowing position compared to available credit facilities. This process is performed during each financial year-end for five years into the future in terms of the Group's long-term planning process.

The table below analyses the Group's financial liabilities that will be settled on a net basis into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date (refer to note 24 for liquidity risk disclosures in respect of the Group's lease liabilities). The amounts disclosed in the table are the contractual undiscounted cash flows, inclusive of capital and interest. The Company's financial liabilities are all current and no maturity analysis has therefore been provided.

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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

44. FINANCIAL RISK MANAGEMENT continued

44.1 Financial risk factors continued

44.1.3 Liquidity risk continued

	Less than one year R'000	Between one and two years R'000	Between two and three years R'000	Between three and four years R'000	Between four and five years R'000	Over five years R'000
2025						
Bank and other borrowings	3 604 221	3 505 592	4 567 507	1 995 063	2 770 239	842 076
Trade and other payables	2 264 505	–	–	–	–	–
	5 868 726	3 505 592	4 567 507	1 995 063	2 770 239	842 076
2024						
Bank and other borrowings	3 640 126	5 345 075	3 972 131	2 766 328	1 450 068	1 201 405
Trade and other payables	2 164 837	–	–	–	–	–
	5 804 963	5 345 075	3 972 131	2 766 328	1 450 068	1 201 405

Details on the Company's exposure to financial guarantees, totalling R666 million (2024: R3 257 million) at 31 March 2025, are set out in note 42. In the event of a default, the related financial guarantee can be called up immediately by the debt provider. The Company's full exposure to financial guarantees is consequently included in the "less than one year" maturity grouping when analysing its exposure to liquidity risk.

Defaults and breaches on loans

There were no breaches or defaults on the repayment of any loans payable during the current or prior year.

44.2 Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern and provide optimal returns for shareholders through maintaining an optimal capital structure. The Group defines capital as equity funding provided by shareholders and debt funding from external parties. Shareholder funding comprises permanent paid up capital, revenue reserves and other reserves, being revaluation reserves and foreign currency translation reserves. Debt funding comprises loans from financial institutions (including redeemable preference shares issued by the Group), corporate bonds and loans from non-controlling interests, but excludes lease liabilities.

The board's policy is to maintain a strong capital base so as to maintain investor and creditor confidence and to sustain future development of the business. The board of directors monitors the cost of capital, which the Group defines as the weighted average cost of capital, taking into account the Group's internally calculated cost of equity (shareholder funding) and long-term cost of debt assumptions. The board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound equity position. The Group's debt capacity and optimal gearing levels are determined by its cash flow profile and are measured through applicable ratios such as net debt to adjusted EBITDA and interest cover. In order to maintain or adjust the capital structure, in the absence of significant investment opportunities, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. There were no changes in the Group's approach to capital management during the year. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

44. FINANCIAL RISK MANAGEMENT continued

44.3 Fair value estimation

IFRS 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 – Quoted prices available in active markets for identical assets or liabilities

Level 2 – Inputs used, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly

Level 3 – Fair value determined by valuation that uses inputs that are not based on observable market data

The following items are measured at fair value:

Group	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
2025				
ASSETS				
Financial assets at fair value through profit or loss				
Equity securities	58 822	–	712 821	771 643
Unit trust investments	–	440 099	–	440 099
Financial assets at fair value through other comprehensive income				
Equity securities	287 048	–	571 658	858 706
Other	–	–	40	40
Derivative financial instruments				
Foreign exchange contracts	–	4 479	–	4 479
Non-financial assets at fair value through profit or loss				
Investment properties	–	–	5 559 873	5 559 873
Total assets	345 870	444 578	6 844 392	7 634 840
2024				
ASSETS				
Financial assets at fair value through profit or loss				
Equity securities	120 780	–	–	120 780
Unit trust investments	–	417 112	–	417 112
Financial assets at fair value through other comprehensive income				
Equity securities	293 120	16 496	723 891	1 033 507
Other	–	–	40	40
Derivative financial instruments				
Foreign exchange contracts	–	767	–	767
Interest rate swaps – cash flow hedges	–	10 719	–	10 719
Non-financial assets at fair value through profit or loss				
Investment properties	–	–	5 204 210	5 204 210
Total assets	413 900	445 094	5 928 141	6 787 135



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

44. FINANCIAL RISK MANAGEMENT continued

44.3 Fair value estimation continued

The following table presents the changes in level 3 assets for the year:

Group	Equity securities R'000	Other R'000	Investment properties R'000	Total R'000
2025				
ASSETS				
Carrying value at the beginning of the year	723 891	40	5 204 210	5 928 141
Additions	7 198	–	64 467	71 665
Improvements	–	–	32 080	32 080
Transfer to non-current assets held for sale	–	–	(42 700)	(42 700)
Transfer from property, plant and equipment	–	–	37 000	37 000
Transfer to property, plant and equipment	–	–	(39 010)	(39 010)
Movements in non-current operating lease equalisation assets	–	–	(4 370)	(4 370)
Fair value adjustments	(171 366)	–	309 541	138 175
Business combinations (refer to note 43.2)	712 821	–	–	712 821
Amortisation of letting fees capitalised	–	–	(1 345)	(1 345)
Transfer from level 2 fair value measurement	11 935	–	–	11 935
Carrying value at the end of the year	1 284 479	40	5 559 873	6 844 392
Notes	7		2	
2024				
ASSETS				
Carrying value at the beginning of the year	958 776	40	5 052 816	6 011 632
Additions	–	–	68 317	68 317
Improvements	–	–	14 774	14 774
Disposals	–	–	(692)	(692)
Transfer to non-current assets held for sale	–	–	(127 117)	(127 117)
Transfer from non-current assets held for sale	–	–	81 500	81 500
Transfer from property, plant and equipment	–	–	76 000	76 000
Movements in non-current operating lease equalisation assets	–	–	(268)	(268)
Fair value adjustments	(234 885)	–	40 630	(194 255)
Amortisation of letting fees capitalised	–	–	(1 750)	(1 750)
Carrying value at the end of the year	723 891	40	5 204 210	5 928 141
Notes	7		2	

45. EVENTS SUBSEQUENT TO REPORTING DATE

Other than as mentioned below, the directors are not aware of any matter or circumstance arising since the reporting date and up to the date of these consolidated financial statements, not otherwise dealt with within the financial statements, that would significantly affect the operations or results of the Group.

Acquisition of Paarl Vallei Bottelerings Maatskappy Proprietary Limited (PVB)

At 31 March 2025 the La Concorde Holdings group held 45% of the issued share capital of PVB. On 23 June 2025, and following approval from the Competition Commission, the group acquired an additional 7.7% interest in the company for a purchase consideration of R5 million, increasing its effective shareholding to 52.7%. Details of the net assets acquired are set out in note 43.5.

Change in shareholding of eMedia Holdings Limited (EMH) and eMedia Investments Proprietary Limited (EMI)

On 27 June 2025 EMH entered into a subscription and share exchange agreement with EMI's non-controlling shareholder, Venfin Media Beleggings Proprietary Limited (Venfin). In terms of the agreement EMH will issue 18 310 630 N shares to Venfin for cash and Venfin will sell its 32% interest in EMI to EMH in exchange for a further 220 162 315 EMH N shares.

Upon conclusion of these transactions EMI will become a wholly-owned subsidiary of EMH and EMH's total number of N shares in issue, net of treasury shares, will increase to 617 531 741. The Group's interest in EMH will consequently dilute from 80% to 52% and its effective interest in EMI from 54% to 52%.

The agreement remains subject to the fulfilment of certain conditions precedent. Full details of the agreement and preconditions are included in EMH's SENS announcement dated 27 June 2025.

Repurchase of Company shares and disposal of property interests agreement with the Southern African Clothing and Textile Workers' Union (SACTWU)

On 4 July 2025 the Group concluded an agreement with SACTWU, the Company's largest shareholder, for the repurchase of Company shares and the disposal of certain property interests of the Group. Full details of the transactions are provided in the Company's SENS announcement dated 4 July 2025, with the following being the most pertinent:

- (a) the Group will repurchase 1 100 000 Company shares for a total cash consideration of R144 million from SACTWU;
- (b) the Group will sell its shares in and loan claims against three wholly-owned subsidiaries, being HCI Rand Daily Mail Proprietary Limited, HCI Solly Sachs House Proprietary Limited and Gallagher Estate Holdings Proprietary Limited, to SACTWU for a total consideration of R550 million; and
- (c) the Group will repurchase a further 4 196 373 beneficially owned Company shares from SACTWU for a total consideration of R550 million, following which SACTWU will cede its right to the consideration receivable as full and final settlement of the purchase consideration payable referred to in (b) above.

These transactions remain subject to the fulfilment of conditions precedent as set out in the Company's SENS announcement and will result in SACTWU's shareholding in the Company decreasing to 18.4% should the transactions be implemented.

Restructuring of the Group's investment in Main Street 1549 Proprietary Limited (Main Street)

On 29 May 2025 Africa Energy Corp. (AEC) announced that it entered into an agreement with Arostyle Investments (RF) Proprietary Limited (Arostyle) to restructure their joint investment in Main Street. The restructure will result in the AEC group and Arostyle holding an effective 75% and 25% participating interest, respectively, in Block 11B/12B off the south coast of South Africa. The transaction remains subject to the relevant regulatory approvals and the fulfilment of conditions precedent. Details on the Group's investment in Main Street are presented in note 7, and further details on the restructuring agreement are included in AEC's press release of 29 May 2025.

US export tariffs

In April 2025 the United States announced increased export tariffs that are expected to have a global impact across various sectors. The Group currently has very limited exposure to US exports and is therefore not expected to be significantly impacted by the announcement.



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FOR THE YEAR ENDED 31 MARCH 2025 (continued)

46. FINANCIAL INSTRUMENTS

An analysis of the Group's assets and liabilities, classified by financial instrument, is set out below.

Group	Amortised cost		Non-financial instruments	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS				
Non-current assets	119 350	204 953	54 115 880	43 110 713
Property, plant and equipment	–	–	16 444 465	16 376 146
Right-of-use assets	–	–	220 510	372 657
Investment properties	–	–	5 559 873	5 204 210
Goodwill	–	–	5 738 002	3 824 589
Intangible assets – minerals*	–	–	12 710 558	39 959
Intangible assets – other	–	–	7 505 941	9 121 540
Investments in associates and joint ventures	–	–	5 707 820	7 932 140
Other financial assets	70 001	153 493	–	–
Deferred taxation	–	–	224 866	235 286
Finance lease receivables	4 587	4 873	–	–
Non-current receivables	44 762	46 587	3 845	4 186
Current assets	5 090 524	3 600 625	2 742 016	2 568 810
Inventories	–	–	956 353	870 980
Programme rights	–	–	1 395 131	1 364 880
Other financial assets	122 058	30 000	–	–
Trade and other receivables	1 799 157	1 858 320	350 427	299 554
Taxation	–	–	40 105	33 396
Cash and cash equivalents	3 169 309	1 712 305	–	–
Non-current and disposal group assets held for sale	–	1 819	126 800	150 823
Total assets	5 209 874	3 807 397	56 984 696	45 830 346
LIABILITIES				
Non-current liabilities	11 275 150	11 925 641	8 568 266	5 463 702
Borrowings	11 275 150	11 925 641	–	–
Lease liabilities	–	–	263 981	429 464
Post-retirement benefit liabilities	–	–	136 335	130 026
Long-term incentive plan	–	–	12 744	22 585
Long-term provisions	–	–	84 505	82 397
Deferred revenue and income	–	–	99 591	91 054
Deferred taxation	–	–	7 971 110	4 708 176
Current liabilities	4 777 279	4 730 898	883 175	905 022
Trade and other payables	2 264 505	2 164 837	527 696	502 401
Deferred revenue and income	27 917	30 367	50 455	48 670
Borrowings	2 390 781	2 428 551	–	–
Taxation	–	–	29 346	32 985
Provisions	–	–	242 904	229 300
Current portion of long-term incentive plan	–	–	32 774	91 666
Bank overdrafts	94 076	107 143	–	–
Disposal group liabilities held for sale	–	1 765	–	–
Total liabilities	16 052 429	16 658 304	9 451 441	6 368 724

* Previously intangible assets – mining.



Fair value through other comprehensive income		Fair value through profit or loss		Derivative financial instruments		Total	
2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
858 746	1 033 547	1 159 046	475 141	–	–	56 253 022	44 824 354
–	–	–	–	–	–	16 444 465	16 376 146
–	–	–	–	–	–	220 510	372 657
–	–	–	–	–	–	5 559 873	5 204 210
–	–	–	–	–	–	5 738 002	3 824 589
–	–	–	–	–	–	12 710 558	39 959
–	–	–	–	–	–	7 505 941	9 121 540
–	–	–	–	–	–	5 707 820	7 932 140
858 746	1 033 547	1 159 046	475 141	–	–	2 087 793	1 662 181
–	–	–	–	–	–	224 866	235 286
–	–	–	–	–	–	4 587	4 873
–	–	–	–	–	–	48 607	50 773
–	–	52 696	62 751	4 479	11 486	7 889 715	6 243 672
–	–	–	–	–	–	956 353	870 980
–	–	–	–	–	–	1 395 131	1 364 880
–	–	52 696	62 751	4 479	11 486	179 233	104 237
–	–	–	–	–	–	2 149 584	2 157 874
–	–	–	–	–	–	40 105	33 396
–	–	–	–	–	–	3 169 309	1 712 305
–	–	–	–	–	–	126 800	152 642
858 746	1 033 547	1 211 742	537 892	4 479	11 486	64 269 537	51 220 668
–	–	–	–	–	–	19 843 416	17 389 343
–	–	–	–	–	–	11 275 150	11 925 641
–	–	–	–	–	–	263 981	429 464
–	–	–	–	–	–	136 335	130 026
–	–	–	–	–	–	12 744	22 585
–	–	–	–	–	–	84 505	82 397
–	–	–	–	–	–	99 591	91 054
–	–	–	–	–	–	7 971 110	4 708 176
–	–	–	–	–	–	5 660 454	5 635 920
–	–	–	–	–	–	2 792 201	2 667 238
–	–	–	–	–	–	78 372	79 037
–	–	–	–	–	–	2 390 781	2 428 551
–	–	–	–	–	–	29 346	32 985
–	–	–	–	–	–	242 904	229 300
–	–	–	–	–	–	32 774	91 666
–	–	–	–	–	–	94 076	107 143
–	–	–	–	–	–	–	1 765
–	–	–	–	–	–	25 503 870	23 027 028

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

46. FINANCIAL INSTRUMENTS continued

Company	Amortised cost		Non-financial instruments		Total	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000	2025 R'000	2024 R'000
ASSETS						
Non-current assets	2 660 881	4 602 345	21 111 274	14 386 511	23 772 155	18 988 856
Investments in associates and joint ventures	–	–	–	566 986	–	566 986
Investments in and amounts owing from subsidiary companies	2 649 849	4 591 313	21 111 274	13 819 525	23 761 123	18 410 838
Non-current receivables	11 032	11 032	–	–	11 032	11 032
Current assets	24 756	38 486	–	–	24 756	38 486
Trade and other receivables	23 865	27 185	–	–	23 865	27 185
Cash and cash equivalents	891	11 301	–	–	891	11 301
Total assets	2 685 637	4 640 831	21 111 274	14 386 511	23 796 911	19 027 342
LIABILITIES						
Current liabilities	405 522	1 169 111	742	44	406 264	1 169 155
Trade and other payables	12 775	2 849	–	–	12 775	2 849
Amounts owing to subsidiary companies	337 752	1 111 365	–	–	337 752	1 111 365
Borrowings	54 897	54 897	–	–	54 897	54 897
Taxation	–	–	742	44	742	44
Bank overdrafts	98	–	–	–	98	–
Total liabilities	405 522	1 169 111	742	44	406 264	1 169 155

ANNEXURE A – INTEREST IN PRINCIPAL SUBSIDIARY COMPANIES FOR THE YEAR ENDED 31 MARCH 2025

	Issued share capital R'000	Effective interest %	2025		2024	
			Shares R'000	Loans R'000	Shares R'000	Loans R'000
SHARES AND LOANS STATED AT COST LESS IMPAIRMENT						
Investment holding						
Deepkloof Limited ¹	4 053 074	100	**	—	**	—
HCI Invest 14 Holdco Proprietary Limited (HCI Invest 14) ²	181 600	100	**	—	181 600	4 244 874
Johnnic Holdings Proprietary Limited (Johnnic Holdings) ³	16 647	100	565 128	—	**	—
HCI – La Concorde Holdings Proprietary Limited (formerly Niveus – La Concorde Proprietary Limited)	*	100	*	168 009	*	253 083
TIH Prefco (RF) Proprietary Limited (TIH Prefco) ⁴	24 522 318	100	20 191 890	2 296 078	7 616 968	(105 985)
Niveus Invest 20 Proprietary Limited	*	100	*	151 995	*	83 592
Gaming						
Tsogo Sun Limited ²	3 135	50	**	—	1 742 237	—
Tsogo Sun Hotels, Gaming and Entertainment Proprietary Limited	30	50	**	—	**	—
Galaxy Gaming and Entertainment Proprietary Limited	*	50	**	—	**	—
Vukani Gaming Corporation Proprietary Limited	3 052 468	50	**	—	**	—
Tsogo Sun Alternative Gaming Investments Proprietary Limited	4 754 851	50	**	—	**	—
Financial and management services						
HCI Managerial Services Proprietary Limited ²	*	100	**	—	*	—
HCI Treasury Proprietary Limited ^{2, 5}	*	100	**	(336 054)	250 536	(1 003 681)
Transport						
Frontier Transport Holdings Limited ²	1 814 323	81	**	—	1 454 968	—
Eljosa Travel and Tours Proprietary Limited	1	75	**	—	**	—
Golden Arrow Bus Services Proprietary Limited	*	81	**	—	**	—
HPL and R Investments Proprietary Limited	1 770 000	81	**	—	**	—
Hollyberry Props 12 Proprietary Limited	*	81	**	—	**	—
Table Bay Area Rapid Transit Proprietary Limited	330	81	**	—	**	—
Sibanye Bus Services Proprietary Limited	*	81	**	—	**	—
Shuttle Up Proprietary Limited	2 630	81	**	—	**	—
Alpine Truck and Bus Proprietary Limited	*	41	**	—	**	—
Frontier Tyres Proprietary Limited	*	81	**	—	**	—

¹ Company registered in Mauritius.

² Shareholding and HCI Invest 14 loan receivable sold to TIH Prefco, either on loan account or in exchange for shares, as part of the Company's debt restructure (refer to note 8). Gains on disposal of investments in subsidiaries are presented in note 28.

³ Direct investment in Johnnic Holdings received as a dividend in specie during the year (refer to note 26).

⁴ Consideration payable by TIH Prefco in respect of its acquisition of the Company's shareholding in Southern Sun (refer to note 6) and other investments mentioned in note 2 above, was settled by issuing shares to the Company. This, together with TIH Prefco shares received as a dividend in specie as set out in note 26, resulted in the significant increase in the Company's investment from the prior year.

⁵ Current-year movement in loan balance includes receivables totalling R465 million distributed to the Company as dividends in specie (refer to note 26).

* Under R1 000.

** Indirectly held.

ANNEXURE A – INTEREST IN PRINCIPAL SUBSIDIARY COMPANIES

FOR THE YEAR ENDED 31 MARCH 2025 (continued)

	Issued share capital R'000	Effective interest %	2025		2024	
			Shares R'000	Loans R'000	Shares R'000	Loans R'000
Media and broadcasting						
eMedia Holdings Limited ¹	6 762 797	80	**	—	1 622 232	—
Crystal Brook Distribution Proprietary Limited	*	54	**	—	**	—
e.Sat.tv Proprietary Limited	*	54	**	—	**	—
e.tv Proprietary Limited	108	54	**	—	**	—
Longkloof Limited ²	*	54	**	—	**	—
eMedia Investments Proprietary Limited	55	54	**	—	**	—
Sabido Properties Proprietary Limited	*	54	**	—	**	—
Yired Proprietary Limited	*	54	**	—	**	—
Coal mining						
HCI Resources Proprietary Limited	*	100	6 794	—	6 794	—
Branded products and manufacturing						
Deneb Investments Limited ¹	1 428 100	84	**	—	597 026	—
Formex Industries Proprietary Limited	100	84	**	—	**	—
Sargas Proprietary Limited	2 500	84	**	—	**	—
Prima Interactive Proprietary Limited	*	84	**	—	**	—
Butterfly Products Proprietary Limited	*	84	**	—	**	—
Oil and gas prospecting						
Impact Oil & Gas Limited ³	291 104	51	**	—	—	—
Impact Oil & Gas (Jersey) Limited ²	*	51	**	—	—	—
Impact Oil & Gas (Namibia) Proprietary Limited ²	*	51	**	—	—	—
Impact Africa Limited ³	1 376	51	**	—	—	—
Africa Energy Corp. ⁴	6 920 819	48	**	—	—	—
Properties						
Lynnridge Shopping Centre Proprietary Limited	80 141	80	**	—	**	—
Gallagher Estate Holdings Proprietary Limited	19 295	100	**	—	**	—
Highland Night Investments 93 Proprietary Limited	33 358	52	**	—	**	—
Kalahari Village Mall Proprietary Limited	59 665	60	**	—	**	—
Permasolve Investments Proprietary Limited	*	71	*	—	*	—
Mironetix Proprietary Limited	296 425	80	237 139	—	237 139	—
Curagen Investments Proprietary Limited	59 665	60	**	—	**	—
HCI – Sydney Road Proprietary Limited	23 036	100	34 305	—	34 305	—
HCI – Rand Daily Mail Proprietary Limited	*	100	*	—	*	—
HCI – Shell House Proprietary Limited	*	75	*	—	*	—
HCI – Whale Coast Village Proprietary Limited	120 698	80	**	—	**	—
HCI – The Palms Proprietary Limited	*	60	*	—	*	—
HCI Cecilia Precinct Proprietary Limited	*	51	*	—	*	—

¹ Shareholding sold to TIH Prefco as part of the Company's debt restructure (refer to note 8). Gains on disposal of investments in subsidiaries are presented in note 28.

² Company registered in Jersey (Channel Islands).

³ Company registered in the United Kingdom.

⁴ Company registered in Canada.

* Under R1 000.

** Indirectly held.



	Issued share capital R'000	Effective interest %	2025		2024	
			Shares R'000	Loans R'000	Shares R'000	Loans R'000
Other						
Squirewood Investments 64 Proprietary Limited	*	100	*	–	*	–
IGI Investment Company Limited	37 546	55	*	(1 698)	*	(1 698)
La Concorde Holdings Limited***	*	90	59 589	–	59 291	–
Niveus AG ¹	1 000	100	**	–	**	–
The HCI Foundation****	N/A	–	–	33 767	–	9 763
Tsogo Investment Holding Company Proprietary Limited	960 134	90	*	–	**	–
Tylon Holdings Proprietary Limited	*	100	16 429	–	16 429	–
GRiPP Advisory Proprietary Limited	*	75	*	–	*	–
			21 111 274	2 312 097	13 819 525	3 479 948

¹ Company registered in Switzerland.

* Under R1 000.

** Indirectly held.

*** Direct and indirect shareholding through intermediary companies.

**** The Group has effective control of the trust based on the terms of the trust deed, without any economic interest therein.

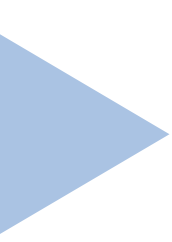
Subsidiaries that are not considered to be material based on their financial position or results, are excluded from the table above. Details on these subsidiaries are available from the company secretary. All subsidiaries are incorporated in South Africa unless otherwise shown.

	2025 R'000	2024 R'000
Profits and losses attributable to consolidated subsidiary companies:		
Aggregate profits after tax	8 822 699	3 658 684
Aggregate losses after tax	(1 996 360)	(1 750 852)

Encumbrances

Shares having a total carrying value of R14 849 million (2024: R18 541 million) have been pledged as security for certain loans owing to debt providers of the Group, refer to note 17.

In addition, the Group may not dispose of or encumber its interest in Impact Oil & Gas Limited without the prior approval of its central debt funders.



CORPORATE ADMINISTRATION

COMPANY REGISTRATION NUMBER: 1973/007111/06

SHARE CODE: HCI ISIN: ZAE0000003257

REGISTERED OFFICE: Suite 801, 76 Regent Road, Sea Point, Cape Town 8005
PO Box 5251, Cape Town, 8000
Telephone: 021 481 7560

WEBSITE ADDRESS: www.hci.co.za

COMPANY SECRETARY: HCI Managerial Services Proprietary Limited

DIRECTORS: *Executive Directors*
John Anthony Copelyn (Chief Executive Officer)
Antonio Francisco Pereira (Financial Director)
Theventheran Govindsamy Govender (Kevin)
Yunis Shaik

Independent Non-Executive Directors
Mohamed Haroun Ahmed
Mimi Freddie Magugu
Velaphi Elias Mphande (Chairperson)
Jabulani Geffrey Ngcobo
Rachel Doreen Watson

Non-Executive Directors
Laurelle McDonald
Adhika Singh

AUDITOR: Forvis Mazars
Rialto Road, Grand Moorings Precinct
Century City, 7441
PO Box 134, Century City, 7446
Docex 9 Century City

BANKERS: First National Bank of Southern Africa Limited

TRANSFER SECRETARIES: Computershare Investor Services Proprietary Limited
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196 South Africa
Private Bag X9000, Saxonwold, 2132

SPONSOR: Investec Bank Limited
100 Grayston Drive, Sandton, Sandown, 2196



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