Goldrush Group (Pty) Ltd
(Registration number 2009/013264/07)
Extract of the Consolidated Financial Statements
for the year ended 31 March 2023

General Information

Country of incorporation and domicile	South Africa
Directors	RG Hipkin M Naidoo AM Scott S Padayachee KNRJ Thejane MI Nurick JC van Niekerk TB Sefolo
Registered office	66 Ontdekkers Road Westgate Roodepoort 1734
Postal address	PO Box 7383 Westgate Roodepoort 1734
Ultimate holding company	RECM and Calibre Limited incorporated in South Africa
Auditor	Mazars
Level of assurance	The extract of the consolidated financial statements has been prepared based on the consolidated financial statements for the year ended 31 March 2023 which were audited in compliance with the applicable requirements of the Companies Act of South Africa, 71 of 2008. The auditors issued an unmodified opinion on the Goldrush Group (Pty) Ltd consolidated annual financial statements for the year ended 31 March 2023.

Contents

	Page
Consolidated Statement of Financial Position	3
Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Consolidated Statement of Changes in Equity	5
Consolidated Statement of Cash Flows	6
Accounting Policies	7 - 22
Notes to the Extract Of The Consolidated Financial Statements	23 - 28

Goldrush Group (Pty) Ltd

(Registration number 2009/013264/07)
Extract Of The Consolidated Financial Statements for the year ended 31 March 2023

Consolidated Statement of Financial Position as at 31 March 2023

Figures in Rand	Notes	2023	2022
Assets			
Non-Current Assets			
Property, plant and equipment	1	550 442 201	543 350 455
Right-of-use assets	2	273 345 410	261 296 640
Goodwill	3	127 048 115	127 048 115
Intangible assets	4	579 968 163	556 663 365
Loans to group companies		8 616 107	9 052 654
Other financial assets		34 023 879	44 031 100
Costs to obtain gaming licences *		23 911 917	13 398 825
Deferred tax		124 908 291	70 599 929
		1 722 264 083	**1 625 441 083**
Current Assets			
Inventories		3 845 042	4 067 306
Trade and other receivables	5	92 659 629	58 918 451
Other financial assets		39 121 399	34 192 417
Cash and cash equivalents		63 300 905	77 112 011
		198 926 975	**174 290 185**
Total Assets		**1 921 191 058**	**1 799 731 268**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital		370 001 046	370 001 046
Retained income		109 245 593	32 361 575
		479 246 639	402 362 621
Non-controlling interest		(107 239 216)	(102 649 498)
		372 007 423	**299 713 123**
Liabilities			
Non-Current Liabilities			
Other financial liabilities	6	567 504 800	450 115 651
Lease liabilities	2	314 715 779	291 735 084
Lease liabilities other than IFRS 16	7	2 073 845	684 006
Deferred tax		200 994 620	147 667 370
		1 085 289 044	**890 202 111**
Current Liabilities			
Trade and other payables	8	208 020 915	196 962 918
Loans from shareholders		53 300 906	67 443 155
Other financial liabilities	6	91 548 138	245 628 482
Lease liabilities	2	54 179 462	54 707 510
Lease liabilities other than IFRS 16	7	1 376 560	958 169
Deferred income		481 528	859 014
Current tax payable		23 910 330	13 256 786
Dividends payable		31 076 752	30 000 000
		463 894 591	**609 816 034**
Total Liabilities		**1 549 183 635**	**1 500 018 145**
Total Equity and Liabilities		**1 921 191 058**	**1 799 731 268**

* The recognition criteria for costs to obtain gaming licences has been amended from IFRS 15 to IAS 38. The change in recognition criteria had no material impact on the initial and subsequent accounting of costs to obtain gaming licences..

Goldrush Group (Pty) Ltd

(Registration number 2009/013264/07)
Extract Of The Consolidated Financial Statements for the year ended 31 March 2023

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand	Notes	2023	2022 Restated *
Continuing operations			
Net gaming wins	9	1 638 220 474	1 383 343 502
Food and beverage revenue	9	67 601 629	40 248 246
Other income		73 029 781	66 902 350
Total income		**1 778 851 884**	**1 490 494 098**
Gaming related expenses		(304 554 848)	(252 003 876)
Gaming levies and VAT on gaming wins		(353 073 883)	(298 644 238)
Food and beverage consumables		(54 685 303)	(26 468 321)
Other operating losses		(5 525 110)	(27 888)
Movement in credit loss allowances		14 178 212	(16 373 144)
Impairment losses		(1 837 012)	(7 325 302)
Depreciation and amortisation		(181 687 831)	(181 006 585)
Operating expenses		(611 964 926)	(479 479 472)
Operating profit		**279 701 183**	**229 165 272**
Investment income		19 008 438	12 904 105
Interest expense		(105 468 971)	(101 598 616)
Profit before taxation		**193 240 650**	**140 470 761**
Taxation		(58 763 074)	(37 245 723)
Profit for the year		**134 477 576**	**103 225 038**
Other comprehensive income		-	-
Total comprehensive income for the year		**134 477 576**	**103 225 038**
Profit attributable to:			
Owners of the parent		124 036 141	91 872 689
Non-controlling interest		10 441 435	11 352 349
		134 477 576	**103 225 038**
Total comprehensive profit attributable to:			
Owners of the parent		124 036 141	91 872 689
Non-controlling interest		10 441 435	11 352 349
		134 477 576	**103 225 038**

* The presentation of the income section has been changed and comparatives have been restated accordingly to provide more relevant and useful informaiton regarding the Group and Company's business activities.

Goldrush Group (Pty) Ltd

(Registration number 2009/013264/07)
Extract Of The Consolidated Financial Statements for the year ended 31 March 2023

Consolidated Statement of Changes in Equity

Figures in Rand	Share capital	Retained income / (Accumulated loss)	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Group					
Balance at 01 April 2021	**370 001 046**	**(26 791 114)**	**343 209 932**	**(114 001 847)**	**229 208 085**
Profit for the year	-	91 872 689	91 872 689	11 352 349	103 225 038
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**91 872 689**	**91 872 689**	**11 352 349**	**103 225 038**
Dividends paid	-	(32 720 000)	(32 720 000)	-	(32 720 000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(32 720 000)**	**(32 720 000)**	**-**	**(32 720 000)**
Balance at 01 April 2022	**370 001 046**	**32 361 575**	**402 362 621**	**(102 649 498)**	**299 713 123**
Profit for the year	-	124 036 141	124 036 141	10 441 435	134 477 576
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	**-**	**124 036 141**	**124 036 141**	**10 441 435**	**134 477 576**
NCI recognised in respect of subsidiaries acquired	-	-	-	(5 969 084)	(5 969 084)
Dividends paid	-	(47 144 827)	(47 144 827)	(9 062 069)	(56 206 896)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**(47 144 827)**	**(47 144 827)**	**(15 031 153)**	**(62 175 980)**
Balance at 31 March 2023	**370 001 046**	**109 245 593**	**479 246 639**	**(107 239 216)**	**372 007 423**

Goldrush Group (Pty) Ltd

(Registration number 2009/013264/07)
Extract Of The Consolidated Financial Statements for the year ended 31 March 2023

Consolidated Statement of Cash Flows

Figures in Rand	Notes	2023	2022
Cash flows from operating activities			
Cash generated from operations		374 993 257	332 935 104
Interest received		2 119 092	359 428
Interest paid		(37 286 751)	(54 736 321)
Tax paid		(49 090 639)	(43 799 546)
Net cash from operating activities		**290 734 959**	**234 758 665**
Cash flows used in investing activities			
Purchase of property, plant and equipment	1	(100 790 118)	(100 739 856)
Proceeds on disposal of property, plant and equipment	1	864 983	24 795
Purchase of intangible assets	4	(43 762)	(509 839)
Loans advanced to third parties		(10 172 726)	(10 841 427)
Loans repaid by third parties		2 923 614	5 190 544
Arising from business combinations		189 063	-
Loan repaid by associate		1 514 213	423 620
Purchase of listed shares		-	(3 160 320)
Net cash used in investing activities		**(105 514 733)**	**(109 612 483)**
Cash flows used in financing activities			
Proceeds from interest bearing debt		150 000 000	450 000 000
Repayment of interest bearing debt		(63 846 522)	(486 570 551)
Repayment of other financial liabilities		(155 432 233)	(6 059 171)
Repayment of shareholders loan		(17 370 874)	(5 052 495)
Lease liabilities payments		(55 411 599)	(47 499 682)
Lease liabilities other than IFRS 16 payments		(1 839 960)	(1 223 769)
Dividends paid		(55 130 144)	(2 720 000)
Cash flows used in financing activities		**(199 031 332)**	**(99 125 668)**
Total cash movement for the year		**(13 811 106)**	**26 020 514**
Cash at the beginning of the year		77 112 011	51 091 497
Total cash at end of the year		**63 300 905**	**77 112 011**

Accounting Policies

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these financial statements and the South African Companies Act 71 of 2008 of South Africa, as amended.

These financial statements comply with the requirements of the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The extract of the consolidated financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in Rands, which is the group and company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

The results of subsidiaries are included in the consolidated financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the financial statements of subsidiaries to bring their accounting policies in line with those of the group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Accounting Policies

1.2 Consolidation (continued)

Business combinations

The group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair values of assets given, liabilities incurred or assumed and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss or in other comprehensive income, in accordance with relevant IFRS's. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business combinations are recognised at their fair values at acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current assets Held For Sale and Discontinued Operations, which are recognised at fair value less costs to sell.

Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date.

On acquisition, the acquiree's assets and liabilities are reassessed in terms of classification and are reclassified where the classification is inappropriate for group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date.

Non-controlling interests in the acquiree are measured on an acquisition-by-acquisition basis either at fair value or at the non-controlling interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. This treatment applies to non-controlling interests which are present ownership interests, and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. All other components of non-controlling interests are measured at their acquisition date fair values, unless another measurement basis is required by IFRS's.

In cases where the group held a non-controlling shareholding in the acquiree prior to obtaining control, that interest is measured to fair value as at acquisition date. The measurement to fair value is included in profit or loss for the year.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

1.3 Investments in subsidiaries

In the company’s separate consolidated financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses.

The cost of an investment in a subsidiary is the aggregate of:

- the fair value, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the company; plus
- any costs directly attributable to the purchase of the subsidiary.

An adjustment to the cost of a business combination contingent on future events is included in the cost of the investment if the adjustment is probable and can be measured reliably.

Accounting Policies

1.4 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The group's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of extract of the consolidated financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Provision for expected credit losses of trade receivables

The group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due status. Calculations are separately performed for debtors that have similar loss patterns (mostly by type of debtor). The categories include related party debtors for machine rental and management fees (Restivox (Pty) Ltd, Faldozest (Pty) Ltd, Toriglo (Pty) Ltd and K2014068163 (Pty) Ltd) and LPM site operators. The remaining debtors are grouped as a further segment as they all have similar loss patterns.

The provision matrix is initially based on the group’s historical observed default rates. The group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecasted economic conditions (i.e., gross domestic product, inflation and interest rates) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecasted economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecasted economic conditions.

The group’s historical credit loss experience and forecasted of economic conditions may also not be representative of customer’s actual default in the future.

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The group tests intangible assets with indefinite useful lives for impairment annually at the cash-generating unit level and when circumstances indicate that the carrying value may be impaired. Refer to note 4 for the estimates and assumptions used when testing intangible assets with indefinite lives for impairment.

Depreciation rates and residual values

The depreciation method reflects the pattern in which economic benefits attributable to the asset flow to the entity. The useful lives of these assets can vary depending on a variety of factors, including but not limited to; technological obsolescence, maintenance programmes, refurbishments, product life cycles and the intention of management. The estimation of the useful life and residual value of an asset is a matter of judgement based on the past experience of the company with similar assets and the intention of management (refer to note 1.6).

Expected manner of realisation for deferred tax

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.6 Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property, plant and equipment is subsequently stated at cost less accumulated depreciation and any accumulated impairment losses, except for land which is stated at cost less any accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Buildings	Straight line	20 years
Gaming equipment	Straight line	6-10 years
Furniture and fixtures	Straight line	6 years
Motor vehicles	Straight line	5 years
Office equipment	Straight line	6 years
IT equipment	Straight line	3 years

Accounting Policies

1.6 Property, plant and equipment (continued)

Computer software	Straight line	2 years
Shop fittings	Straight line	5-25 years
Site operator improvements	Straight line	10 years
Kitchen equipment	Straight line	6 years
Security equipment	Straight line	6 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount. The recoverable amount (of an asset or a cash-generating unit) is the higher of its fair value less costs of disposal and its value in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

1.7 Intangible assets

Intangible assets are initially recognised at cost. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life. The amortisation period and the amortisation method for intangible assets are reviewed every period-end.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life. All of the group's gaming licenses have indefinite useful lives with the exception of Goldrush Bingo Graaff Reinet (Pty) Ltd, Goldrush Bingo Cradock (Pty) Ltd, Goldrush Bingo Grahamstown (Pty) Ltd, Dymacure (Pty) Ltd and Vandastar (Pty) Ltd which have a useful life of 15 years and 10 years for Goldrush Group (Pty) Ltd (Lesotho).

1.8 Financial instruments

Financial instruments held by the group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Financial assets which are equity instruments:

- Mandatorily at fair value through profit or loss.

Financial assets which are debt instruments:

- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or

Financial liabilities:

- Amortised cost.

Financial instruments and risk management presents the financial instruments held by the group based on their specific classifications.

Accounting Policies

1.8 Financial instruments (continued)

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the group becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Impairment of trade and other receivables

The group recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

Measurement and recognition of expected credit losses

The customer base is widespread and does not show significantly different loss patterns for different customer segments. The loss allowance is calculated on a collective basis for all trade and other receivables in totality.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in material operating item 1 (taken out of other operating expenses) in profit or loss as a movement in credit loss allowance.

The group measures the loss allowance for trade receivables by applying the simplified approach which is prescribed by IFRS 9. In accordance with this approach, the loss allowance on trade receivables is determined as the lifetime expected credit losses on trade receivables. These lifetime expected credit losses are estimated using a provision matrix, which is presented below. The provision matrix has been developed by making use of past default experience of debtors but also incorporates forward-looking information and general economic conditions of the industry as at the reporting date. This is determined by considering gross domestic product growth rate and the inflation rate.

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on trade and other receivables as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from financial analysts, governmental bodies and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

Accounting Policies

1.8 Financial instruments (continued)

Irrespective of the outcome of the above assessment, the credit risk on trade and other receivables are always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the group has reasonable and supportable information that demonstrates otherwise.

By contrast, if trade and other receivables are assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk on trade and other receivables has not increased significantly since initial recognition. No trade or other receivables have been assessed as low risk in the current or prior years.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Details of credit risk are included in the trade and other receivables note (note 5).

Loans receivable and other financial assets at amortised cost

Classification

Loans to group companies, loans to shareholders and other financial assets are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the group's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

These are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment income.

Impairment

The group recognises a loss allowance for expected credit losses on all loans receivable measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective loans.

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information, Forward-looking information includes GDP, inflation rates and interest rates.

The loss patterns are determined per below three stages:

- Performing - includes financial instruments that have not had a significant increase in credit risk since initial recognition. For these assets, 12-month expected credit losses (‘ECL’) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

1.8 Financial instruments (continued)

- High risk - includes financial instruments that have had a significant increase in credit risk since initial recognition. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument. Expected credit losses are the weighted average credit losses with the probability of default ('PD') as the weight.

- Credit impaired - includes financial assets that have objective evidence of impairment at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).

Objective evidence includes:

- significant financial difficulty of the counterparty;

- a breach of contract such as a default or past due event;

- the restructuring of the debt or advance on terms that the group would not consider otherwise; or

- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation (liquidation or business rescue).

Significant increase in credit risk

In assessing whether the credit risk on a loan has increased significantly since initial recognition, the group compares the risk of a default occurring on the loan as at the reporting date with the risk of a default occurring as at the date of initial recognition.

The group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the counterparties operate, obtained from financial analysts, governmental bodies and other similar organisations, as well as consideration of various external sources of actual and forecast economic information.

The group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increases in credit risk before the amount becomes past due.

Definition of default

For purposes of internal credit risk management purposes, the group consider that a default event has occurred if there is internal or external information indicates that the counterparty is unlikely to pay its creditors in full (without taking collateral into account).

The following are some of the internal and external factors that define a default event:

- Non-servicing of full interest within 30 days of due date.

- Non-payment of instalment on the due date

Write off policy

The group writes off a loan when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Loans written off may still be subject to enforcement activities under the group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss. No loans have been written off in the current or prior years.

Accounting Policies

1.8 Financial instruments (continued)

Loans from related parties and other financial liabilities

Classification

Loans from group companies, loans from shareholders and other financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

These are recognised when the group becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in interest expense

Loans payable expose the group to liquidity risk and interest rate risk.

Trade and other payables

Classification

Trade and other payables, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the group becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in interest expense.

Trade and other payables expose the group to liquidity risk and possibly to interest rate risk.

Cash and cash equivalents

Cash and cash equivalents are initially recorded at fair value less transactions costs and subsequently at amortised cost. Cash and cash equivalents comprise of cash on hand, deposits held on call with banks, money market investments and other short term highly liquid investments.

Accounting Policies

1.8 Financial instruments (continued)

Derecognition

Financial assets

The group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The group derecognises financial liabilities when, and only when, the group obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

1.9 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability shall be recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from:
(a) the initial recognition of goodwill; or
(b) the initial recognition of an asset or liability in a transaction which:
    (i) is not a business combination; and
    (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax liability shall be recognised for all temporary differences related to investments in associates and subsidiaries (in the separates) except to the extent that the following conditions can be met; namely
(1) the company can control the timing of the reversal of the temporary differences, or
(2) it is probably that the temporary difference will not reverse in the forseeable future.

A deferred tax asset shall be recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that:
(a) is not a business combination; and
(b) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses credits can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

1.9 Tax (continued)

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.10 Leases

The group assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the group is a lessee, except for short-term leases of 12 months or less, or leases of low value assets, deemed to be below R100 000. For these leases, the group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Group as lessor

Leases for which the company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

When the company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease. If the head lease is a short-term lease to which the company applies the exemption described previously, then it classifies the sub-lease as an operating lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated by applying IFRS 15.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed lease payments, including in-substance fixed payments, less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the group under residual value guarantees;
- lease payments in an optional renewal period if the group is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease, if the lease term reflects the exercise of an option to terminate the lease.

1.10 Leases (continued)

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability (or right-of-use asset). The related payments are recognised as an expense in the period incurred and are included in operating expenses.

The lease liability is presented as a separate line item on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in interest expense.

The group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change in the assessment of whether the group will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right of use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

Costs included in the measurement of the right of use asset comprise the following:

- the initial amount of the corresponding lease liability;
- any lease payments made at or before the commencement date;
- any initial direct costs incurred;
- any estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, when the group incurs an obligation to do so, unless these costs are incurred to produce inventories; and
- less any lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. However, if a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of a lease.

For right-of-use assets which are depreciated over their useful lives, the useful lives are determined consistently with items of the same class of property, plant and equipment. Refer to the accounting policy for property, plant and equipment for details of useful lives.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate. Each part of a right-of-use asset with a cost that is significant in relation to the total cost of the asset is depreciated separately.

The depreciation charge for each year is recognised in profit or loss.

Accounting Policies

1.11 Inventories

Inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and net realisable value on the first-in-first-out basis.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.12 Costs to obtain gaming licences

Costs ('bid costs') incurred during the bidding process for a gaming licence are incurred on behalf of licence applicants within the Goldrush Group. These costs are capitalised in Goldrush Group Management (Pty) Ltd (the management company of the group).

Costs incurred during the bidding process for a gaming licence are capitalised to costs to obtain gaming licences by the individual licence holder on the successful award of the gaming licence as these costs are directly attributable to the award of the licence. The bid costs are invoiced out of Goldrush Group Management (Pty) Ltd and either capitalised as assets or expensed immediately depending on the nature of the cost by the individual licence holder. Bid costs capitalised are not amortised or depreciated but tested annually for impairment. Impairment losses are recognised in profit or loss.

A licence is deemed to be available for use when the relevant Gambling Board has concluded their final inspection of the branch or site and physically awarded the entity with a licence to commence trading.

Once the licence is available for use the capitalisation of bid related costs to obtain gaming licences cease. The carrying amount of the successfully awarded gaming licences are then transferred to intangible assets. The bid costs associated with unsuccessful gaming licence applications are written off in full as and when the related bids are determined to be unsuccessful in Goldrush Group Management (Pty) Ltd.

Impairment

The group recognises an impairment loss in profit or loss to the extent that the carrying amount of the contract asset recognised exceeds:

- the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less
- the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

1.13 Impairment of non-financial assets

The group assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the group also:
- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Accounting Policies

1.13 Impairment of non-financial assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.14 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Ordinary shares are classified as 'share capital' in equity. Dividends are recognised as a liability in the group in which they are declared.

1.15 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of profit sharing and bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Defined contribution plans

Payments to defined contribution retirement plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement schemes are dealt with as defined contribution plans where the group’s obligation under the schemes is equivalent to those arising in a defined contribution retirement plan.

Accounting Policies

1.16 Revenue from contracts with customers

The group recognises revenue from the following major sources:

- Gross Gaming Revenue (GGR)
- Food and beverage sales
- Dividend income
- Interest income

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Gross Gaming Revenue (GGR)

Gross Gaming Revenue comprises the net gaming win, inclusive of Value Added Tax (VAT), generated by gaming operations, being the difference between total amounts waged and the amounts returned to players. Net gaming win is measured as the net cash received from gaming operations. Due to the short-term nature of the companies gaming operations, all income is recognised in profit and loss immediately.

Gross gaming revenue is treated as an IFRS 9 derivative financial instrument.

Food and beverage sales

Revenue from food and beverage sales are recognised at a point in time which is upon the delivery to the customer. The performance obligation is the transfer of control of the food or beverages. Revenue is measured at the transaction price of the sale, net of value added tax.

Dividend income

Dividend income is recognised when the right to receive payment is established.

Interest income

Interest income is recognised in profit or loss using the effective interest method.

1.17 Direct costs

Gaming related expenses

Costs of sales comprise amounts directly related to GGR and include provincial gaming levies and VAT. When food and beverage inventories are sold, the carrying amount of those food and beverage inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of food and beverage inventories to net realisable value and all profit of food and beverage inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of food and beverage inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of food and beverage inventories recognised as an expense in the period in which the reversal occurs.

Provincial gaming levies

The provincial gaming levies are payable to the respective Gambling Boards in each province and are based on the monthly GGR generated by the group. The levies are levied at a rate between 3% and 15% of the monthly GGR as legislated in the provincial gambling acts.

Value Added Tax (VAT) and gaming levies

Value Added Tax (VAT) and other taxes levied on gaming winnings are included in the net gaming win and are treated as direct costs as these are borne by the group and not the customers.

Food and beverage costs

Food and beverage costs are recognised on the date on which the sale is made, net of VAT.

Accounting Policies

1.18 Interest expense

Interest expense is recognised as in terms of the effective interest method.

1.19 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:
- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous extract of the consolidated financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Notes to the Extract Of The Consolidated Financial Statements

1. Property, plant and equipment

Group	2023			2022		
	Cost	**Accumulated depreciation**	**Carrying value**	**Cost**	**Accumulated depreciation**	**Carrying value**
Buildings	2 132 770	(664 713)	1 468 057	2 132 770	(574 071)	1 558 699
Site operator improvements	10 872 548	(7 872 910)	2 999 638	10 214 300	(6 958 017)	3 256 283
Gaming equipment	742 799 426	(427 183 556)	315 615 870	662 803 607	(355 067 475)	307 736 132
Furniture and fixtures	137 781 268	(89 067 590)	48 713 678	134 136 233	(81 336 449)	52 799 784
Motor vehicles	13 736 550	(8 799 428)	4 937 122	12 794 391	(9 154 661)	3 639 730
Office equipment	11 869 849	(7 304 427)	4 565 422	10 194 856	(6 105 604)	4 089 252
IT equipment	73 818 935	(64 554 084)	9 264 851	66 721 635	(60 102 495)	6 619 140
Computer software	83 685 762	(81 799 568)	1 886 194	82 159 744	(70 050 807)	12 108 937
Kitchen equipment	11 306 242	(8 760 457)	2 545 785	11 163 406	(7 640 457)	3 522 949
Security equipment	43 758 489	(28 875 911)	14 882 578	41 214 035	(24 077 483)	17 136 552
Shop fittings	223 409 241	(79 846 235)	143 563 006	202 489 400	(71 606 403)	130 882 997
Total	**1 355 171 080**	**(804 728 879)**	**550 442 201**	**1 236 024 377**	**(692 673 922)**	**543 350 455**

Reconciliation of property, plant and equipment - Group - 2023

	Opening balance	**Additions**	**Disposals**	*** Prior period error**	**Prior period adjustments**	**Depreciation**	**Impairment loss**	**Total**
Buildings	1 558 699	-	-	-	-	(90 642)	-	1 468 057
Site operator improvements	3 256 283	658 248	-	-	-	(914 893)	-	2 999 638
Gaming equipment	307 736 132	82 921 379	(512 569)	-	-	(74 529 072)	-	315 615 870
Furniture and fixtures	52 799 784	3 908 527	(7 379)	-	-	(7 987 254)	-	48 713 678
Motor vehicles	3 639 730	3 156 819	(463 111)	-	-	(1 396 316)	-	4 937 122
Office equipment	4 089 252	1 740 843	(45 713)	-	-	(1 218 960)	-	4 565 422
IT equipment	6 619 140	8 303 309	-	-	-	(5 657 598)	-	9 264 851
Computer software	12 108 937	1 526 018	-	-	-	(11 748 761)	-	1 886 194
Kitchen equipment	3 522 949	142 836	-	-	-	(1 120 000)	-	2 545 785
Security equipment	17 136 552	3 323 755	(13 440)	-	-	(5 564 289)	-	14 882 578
Shop fittings	130 882 997	22 839 979	(1 065 648)	-	-	(9 044 795)	(49 527)	143 563 006
	543 350 455	**128 521 713**	**(2 107 860)**	**-**	**-**	**(119 272 580)**	**(49 527)**	**550 442 201**

Reconciliation of property, plant and equipment - Group - 2022

	Opening balance	**Additions**	**Disposals**	*** Prior period error**	**Prior period adjustments**	**Depreciation**	**Impairment loss**	**Total**
Buildings	1 649 342	-	-	-	-	(90 643)	-	1 558 699
Site operator improvements	3 875 462	342 685	-	-	-	(961 864)	-	3 256 283
Gaming equipment	302 062 517	77 588 604	-	(488 887)	-	(71 426 102)	-	307 736 132
Furniture and fixtures	59 544 255	1 291 697	-	-	-	(7 891 336)	(144 832)	52 799 784
Motor vehicles	3 687 787	1 097 500	(13 050)	-	-	(1 132 507)	-	3 639 730
Office equipment	4 019 392	1 169 909	(926)	-	496	(1 090 303)	(9 316)	4 089 252
IT equipment	9 991 883	3 470 886	-	-	(3 193)	(6 726 028)	(114 408)	6 619 140
Computer software	27 191 527	714 525	-	-	-	(15 797 115)	-	12 108 937
Kitchen equipment	4 250 344	406 338	(10 819)	-	-	(1 122 914)	-	3 522 949
Security equipment	20 787 081	2 210 547	-	-	70	(5 428 503)	(432 643)	17 136 552
Shop fittings	128 194 122	12 447 165	-	-	-	(8 771 856)	(986 434)	130 882 997
	565 253 712	**100 739 856**	**(24 795)**	**(488 887)**	**(2 627)**	**(120 439 171)**	**(1 687 633)**	**543 350 455**

* Prior period error relates to incorrect application of IAS 16 in the 2021 financial year.

Notes to the Extract Of The Consolidated Financial Statements

Figures in Rand	2023	2022

1. Property, plant and equipment (continued)

Assets subject to instalment sale agreements.		
Motor vehicles	3 058 282	2 518 503

Refer to note 7 for further details.

2. Right-of-use assets

	2023			2022		
	Cost	Accumulated depreciation	Carrying amount	Cost	Accumulated depreciation	Carrying amount
Buildings	447 452 698	(190 499 523)	256 953 175	373 742 171	(141 507 946)	232 234 225
Gaming software	32 270 030	(24 655 601)	7 614 429	32 270 030	(18 626 296)	13 643 734
Gaming hardware	26 290 336	(17 512 530)	8 777 806	26 290 336	(10 871 655)	15 418 681
	506 013 064	**(232 667 654)**	**273 345 410**	**432 302 537**	**(171 005 897)**	**261 296 640**

IFRS 16 lease liabilities	2023	2022
Within one year	87 015 347	85 095 495
In second to fifth year	256 712 812	246 367 848
More than five years	171 071 107	142 488 009
	514 799 266	473 951 352
Less: future finance charges	(145 904 025)	(127 508 758)
	368 895 241	**346 442 594**

Split between current and non-current liabilities	2023	2022
Non-current liabilities	314 715 779	291 735 084
Current liabilities	54 179 462	54 707 510
	368 895 241	**346 442 594**

Lease liability reconciliation	2023	2022
Opening balance	346 442 597	369 438 505
Additions	73 481 485	38 789 835
Disposal / derecognition	(4 396 414)	(6 370 043)
Prior period adjustment	-	222 790
Payments	(89 381 083)	(82 449 050)
Interest	33 969 736	34 949 374
Remeasurement	8 778 920	(8 138 817)
	368 895 241	**346 442 594**

Notes to the Extract Of The Consolidated Financial Statements

Figures in Rand	2023	2022

3. Goodwill

Group	2023			2022		
	Cost	**Accumulated impairment**	**Carrying value**	**Cost**	**Accumulated impairment**	**Carrying value**
Goodwill	189 024 901	(61 976 786)	127 048 115	189 024 901	(61 976 786)	127 048 115

Impairment

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows i.e. cash generating units (CGUs). Goodwill is allocated to a CGU for purposes of impairment testing.

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

4. Intangible assets

Group	2023			2022		
	Cost	**Accumulated amortisation**	**Carrying value**	**Cost**	**Accumulated amortisation**	**Carrying value**
Trademarks	249 341	-	249 341	205 579	-	205 579
Brand names	17 893 106	-	17 893 106	17 893 106	-	17 893 106
Gaming licences	604 243 162	(42 417 446)	561 825 716	580 228 633	(41 663 953)	538 564 680
Total	**622 385 609**	**(42 417 446)**	**579 968 163**	**598 327 318**	**(41 663 953)**	**556 663 365**

Reconciliation of intangible assets - Group - 2023

	Opening balance	**Additions**	**Additions through business combinations**	**Amortisation**	**Impairment loss**	**Impairment reversal**	**Total**
Trademarks	205 579	43 762	-	-	-	-	249 341
Brand names	17 893 106	-	-	-	-	-	17 893 106
Gaming licences	538 564 680	1 043 736	22 970 794	(753 494)	-	-	561 825 716
	556 663 365	**1 087 498**	**22 970 794**	**(753 494)**	**-**	**-**	**579 968 163**

Reconciliation of intangible assets - Group - 2022

	Opening balance	**Additions**	**Additions through business combinations**	**Amortisation**	**Impairment loss**	**Impairment reversal**	**Total**
Trademarks	162 362	43 217	-	-	-	-	205 579
Brand names	17 893 106	-	-	-	-	-	17 893 106
Gaming licences	529 761 096	466 622	-	(753 494)	(526 598)	9 617 054	538 564 680
	547 816 564	**509 839**	**-**	**(753 494)**	**(526 598)**	**9 617 054**	**556 663 365**

Notes to the Extract Of The Consolidated Financial Statements

Figures in Rand	2023	2022

5. Trade and other receivables

	2023	2022
Financial instruments:		
Trade receivables at amortised cost	44 884 544	10 333 519
Deposits	7 722 631	5 400 748
Site operator loans - net after credit loss allowances	1 414 039	762 262
Other receivables	5 683 176	15 193 356
Accrued revenue	3 508 206	2 678 540
Non-financial instruments:		
VAT	3 749 566	2 160 372
Other receivables	9 812 572	9 306 280
Employee costs in advance	429 200	689 053
Prepayments	15 455 695	12 394 321
	92 659 629	**58 918 451**

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2023	2022
At amortised cost	63 212 596	34 368 425
Non-financial instruments	29 447 033	24 550 026
	92 659 629	**58 918 451**

6. Other financial liabilities

	2023	2022
At amortised cost		
Rand Merchant Bank Limited *	594 163 956	450 000 000
International Game Technology Africa (Pty) Ltd (1) **	-	160 266 214
International Game Technology Africa (Pty) Ltd (2) **	31 545 012	52 183 530
Business Venture Investments 1765 (Pty) Ltd	8 464 092	8 464 092
Business Venture Investments 1766 (Pty) Ltd	12 289 302	12 289 302
Classic Stone Properties Ltd	8 992 286	8 992 286
A van Rensburg	3 598 290	3 548 709
	659 052 938	**695 744 133**

*** Refinancing of the Investec Bank Limited facilities with Rand Merchant Bank Limited facilities**

A strategic decision was made in October 2020 to refinance the Investec Bank Limited facility with FirstRand Bank Limited; acting through its Rand Merchant Bank Division (RMB). The refinancing process and move to RMB was finalised on 28 May 2021 whereby the facility owing to Investec Bank Limited was settled in full.

**** International Game Technology Africa (Pty) Ltd (IGT) Debt Refinancing Agreement**

On 31 March 2019, Goldrush Group Management (Pty) Ltd ("GGM") a subsidiary of the group entered into a debt refinancing agreement with IGT. The principal debt refinanced was the amount owing by the Bingo entities of the group as at 14 December 2018. The amounts owing to IGT were refinanced at an aggregate amount of R75 722 069 and then reduced by an amount of R5 748 200 bringing the new principal debt to R69 973 870. This debt is subject to 2% annual interest and is repayable over a period of 5 years.

In December 2018, the group entered into a sale agreement with IGT, where the group purchased previously leased Electronic Bingo Terminals (EBT's) and software at a cost of R138 033 532 and R68 695 209 respectively with extended payment terms. The payment terms for the EBT's and the software are to take place over a 3 year and 5 year term respectively. On 30 June 2022, the debt was settled in full. This resulted in an immediate gain of R23 295 982.

Notes to the Extract Of The Consolidated Financial Statements

Figures in Rand	2023	2022

6. Other financial liabilities (continued)

Split between non-current and current portions

	2023	2022
Non-current liabilities	567 504 800	450 115 651
Current liabilities	91 548 138	245 628 482
	659 052 938	**695 744 133**

7. Lease liabilities other than IFRS 16

	2023	2022
Minimum lease payments due		
- within one year	1 670 468	1 046 640
- in second to fifth year inclusive	2 326 584	713 840
	3 997 052	1 760 480
less: future finance charges	(546 647)	(118 305)
Present value of minimum lease payments	**3 450 405**	**1 642 175**
Non-current liabilities	2 073 845	684 006
Current liabilities	1 376 560	958 169
	3 450 405	**1 642 175**

8. Trade and other payables

	2023	2022
Financial instruments:		
Trade payables	131 891 156	130 597 896
Other payables	5 141 272	4 552 900
Jackpots payable	238 572	328 947
Other accrued expenses	26 491 504	22 188 374
Non-financial instruments:		
Accrued employee costs	4 900 682	5 442 798
Accrued leave pay	13 741 216	12 749 414
Accrued bonus	16 576 424	13 591 647
Customer liability	9 040 089	7 510 942
	208 020 915	**196 962 918**

Categorisation of trade and other payables

Trade and other payables are categorised as follows in accordance with IFRS 9: Financial Instruments:

	2023	2022
At amortised cost	163 762 504	157 668 117
Non-financial instruments	44 258 411	39 294 801
	208 020 915	**196 962 918**

Terms and conditions of the above trade and other payables:

- Trade payables are non-interest bearing and are normally settled between 30 and 60 day terms.
- Jackpots payable are non-interest bearing and are normally paid on the 1st working day of the new month.
- Other payables and accruals are non-interest bearing and have an average term of six months.
- Customer liability is non-interest bearing and relates to amounts deposited by online Sports Betting punters into the groups bank accounts and not utilised for any betting activities

Notes to the Extract Of The Consolidated Financial Statements

Figures in Rand	2023	2022

9. Revenue

	2023	2022
Revenue from contracts with customers		
Gross gaming revenue	1 638 220 474	1 383 343 502
Food and beverage sales	67 601 629	40 248 246
	1 705 822 103	**1 423 591 748**
Disaggregation of revenue		
Bingo gaming revenue	973 699 639	802 259 608
Limited Payout Machines revenue	496 165 888	428 280 472
Sports Betting hold *	168 354 947	152 803 422
Food and beverage sales	67 601 629	40 248 246
	1 705 822 103	**1 423 591 748**
Timing of revenue recognition		
At a point in time		
Food and beverage sales	67 601 629	40 248 246

* The 2022 amount has been corrected for a mathematical error which occured in the prior year.

10. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes 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.

We draw attention to the fact that as at 31 March 2023, the group’s current liabilities exceed its current assets by R264 967 616 (2022: R435 525 849).

At year end, the group has net cash and cash equivalents of R63 300 905 (2022: R77 112 011). The group has R632 757 663 (2022: R667 640 627) of debt (excluding IFRS 16 lease liabilities).

Group and company going concern assessment

The cash flow and liquidity projections for the group have been prepared for a period exceeding 12 months from the reporting date taking into account the current financial position and management’s best estimate of the cash flow forecasts.

In preparing the cash flow forecasts utilised to assess going concern, the impact of the increased load shedding on the group’s operations and liquidity has been considered. Forecasts have been prepared which assume higher levels of load shedding over the next 12 months. The forecasts include our best estimates of what loadshedding will have on our revenues, especially the LPM division whose revenues have been most impacted by the increased loadshedding. Our forecasts also include the additional costs to be incurred as a direct consequence of the increased loadshedding. To counter the adverse effects of load shedding, the group has investigated alternative energy solutions which include backup power and renewable energy.

Even though the base information used in modelling the forecasts is based on actual results; management also used judgement and have applied their best estimates in predicting future events so as to come up with the key assumptions utilised in the forecasts.

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

- The group is expected to remain solvent after considering the approved budget and expected performance.
- Based on the approved budget, the group is expected to be able to meet all their short-term obligations through a combination of the cash generated by operations and the utilisation of the current facilities available to the group.
- The group has forecast that it will remain within the required RMB facilities covenant ratios for the next 12 months.

After considering the factors described above, directors' are of the view that the group will continue to operate as a going concern for the foreseeable future and that the actions taken and implemented by the directors will help to minimise the expected losses on the group’s operations in the next financial year emanating from the impact of load shedding.