



SPUR

CORPORATION LIMITED



NOTICE AND PROXY OF ANNUAL GENERAL MEETING AND ABRIDGED
(SUMMARISED AUDITED) CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015

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LETTER TO SHAREHOLDERS

Dear Shareholder

NOTICE OF ANNUAL GENERAL MEETING AND PROXY

The booklet accompanying this letter is our detailed notice of annual general meeting for the Spur Corporation annual general meeting to be held at 11:00 on Friday, 4 December 2015 at 14 Edison Way, Century Gate Business Park, Century City, Cape Town ("the AGM"). We have also included abridged consolidated annual financial statements with explanatory notes and commentary, and a proxy form. These documents comply with the requirements of the Companies Act 71 of 2008 (as amended) ("the Act") and the JSE Limited ("JSE") Listings Requirements.

Printed copies of the full integrated annual report (incorporating a full set of audited financial statements) will only be mailed to shareholders on request. Should you wish to receive a printed copy of the integrated annual report, please forward an e-mail request to spur@spur.co.za. The full integrated annual report is available for download on our website at www.spurcorporation.com.

Yours sincerely,



Nazrana Hawa
COMPANY SECRETARY

12 October 2015

NOTICE OF ANNUAL GENERAL MEETING

Spur Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share code: SUR ISIN: ZAE 000022653
("the Company")

NOTICE IS HEREBY GIVEN that the next annual general meeting of the shareholders of the Company will be held at 11:00 on Friday, 4 December 2015 at 14 Edison Way, Century Gate Business Park, Century City, Cape Town to conduct the under-mentioned business and for the under-mentioned ordinary and special resolutions to be proposed:

ORDINARY BUSINESS

To consider, and, if deemed fit, pass, the following ordinary resolutions (numbers 1 to 6), with or without modification (in order to be adopted these resolutions require the support of more than 50% of the total number of votes exercisable by shareholders present or represented by proxy at the meeting):

1. Ordinary Resolution Number 1: The re-appointment of directors

"To re-elect the following directors who, in terms of the company's Memorandum of Incorporation, retire at the annual general meeting, but, being eligible, offer themselves for re-election:

- 1.1 Mntungwa Morojele – independent non-executive director;
- 1.2 Dineo Molefe – independent non-executive director; and
- 1.3 Alan Keet – non-executive director."

Brief biographies of the aforementioned directors are included in Annexure 2 to this report.

The appointments numbered 1.1 to 1.3 constitute separate ordinary resolutions and will be considered by separate votes.

2. Ordinary Resolution Number 2: The re-appointment of the independent auditor and the designated auditor

"To reappoint the firm KPMG Inc. as independent auditors, and Bronvin Heuvel as the individual designated auditor, of the Company for the ensuing period terminating on the conclusion of the next annual general meeting of the Company and to authorise the directors to determine the remuneration of the auditors for the past year."

3. Ordinary resolution number 3: The appointment of the audit committee for the ensuing year

"To elect, subsequent to the passing of resolutions 1.1 and 1.2, the following directors, who are eligible and offer themselves for election, to the audit committee for the ensuing year, as recommended by the board in accordance with section 94(2) of the Act:

- 3.1 Dean Hyde (chairman) – independent non-executive director;
- 3.2 Dineo Molefe – independent non-executive director;
- 3.3 Muzi Kuzwayo – independent non-executive director; and
- 3.4 Mntungwa Morojele – independent non-executive director."

Brief biographies of the aforementioned directors are included in Annexure 3 to this report.

The appointments numbered 3.1 to 3.4 constitute separate ordinary resolutions and will be considered by separate votes.

4. Ordinary resolution number 4: Endorsement of remuneration policy

"To endorse, by way of a non-binding advisory vote, the group's remuneration policy as summarised in Annexure 4 to this report."

5. Ordinary resolution number 5: Adoption of Spur Group Forfeitable Share Plan

“To ratify and approve the adoption by the Company of the Spur Group Forfeitable Share Plan (“FSP”) in terms of Schedule 14 of the JSE Listings Requirements, the salient terms of which are included in this notice of annual general meeting and the complete document recording the terms of the FSP having been made available for inspection by shareholders at least 14 days prior to the date of this meeting and having been initialled by the chairman of this meeting for identification purposes, and tabled at this meeting.”

The above ordinary resolution in terms of the JSE Listings Requirements must be approved by 75% of the votes cast by shareholders present in person or represented by proxy at this annual general meeting.

The FSP has been approved by the JSE in terms of Schedule 14 of the JSE Listings Requirements.

The reason for, and the effect of, this resolution is, and will be, to adopt the FSP in order to provide eligible employees of the Company or any of its subsidiaries (“Group”) with the opportunity to acquire equity in the Company thereby providing such employees with a further incentive to advance the Company’s interests and promoting an identity of interests between such employees and the shareholders of the Company.

Copies of the FSP are available for inspection from the date of this notice of annual general meeting until the conclusion of the annual general meeting convened in terms thereof at the registered office of the Company and at the offices of Sasfin Capital at 29 Scott Street, Waverley, Gauteng.

The salient features of the FSP set out below do not purport to be exhaustive of the provisions of the FSP. For a full appreciation of the provisions thereof shareholders should refer to the full text thereof which is available for inspection as mentioned above.

The directors, whose names are given in Annexure 11 of this report, collectively and individually accept full responsibility for the accuracy of the information given in this resolution and the salient features below and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above-mentioned resolution contains all information required by law and the JSE Listings Requirements.

Salient features of the Spur Group Forfeitable Share Plan

1. Introduction and rationale

- 1.1 The Company wishes to grant employees forfeitable incentive awards (“Forfeitable Awards”) from the FSP in compliance with Schedule 14 of the JSE Listings Requirements. Employees will obtain ordinary shares in the Company (“Shares”).
- 1.2 The FSP is a five-year discretionary equity-settled plan (save for death, early retirement and taxation as detailed in the terms of the FSP below) offered by the Group for the benefit of the Group and the retention of certain of its key employees. The FSP increases the commitment and interest of employees in the Group’s long-term business goals and performance through share ownership.
- 1.3 The FSP is an incentive for the employees to be retained in the long-term employ of the Group and execute and enhance the Group’s future performance and growth strategies.

2. Terms of the FSP

Participants and rules of the FSP

- 2.1 Participants under the FSP will be such employees of the Group from time to time as may be nominated by the board of directors of the Company (“Board”) in its sole discretion to be participants under the FSP (“Participants”).
- 2.2 The Board or the Remuneration Committee of the Company shall have the power and authority, in their discretion, to instruct and authorise the Company to make Forfeitable Awards of a specific number of Employment Related Forfeitable Shares (“Forfeitable Shares”) to employees in accordance with the provisions of these rules. Any terms and conditions which the Board or the Remuneration Committee is entitled to determine in their discretion in terms of these rules shall be specified in the Award Certificate to be issued to the relevant employee.

- 2.3 All Forfeitable Awards shall be subject to the provisions of the rules of the FSP as read with the Award Certificate and the Board or the Remuneration Committee shall be under no obligation to award the same or similar amount of Forfeitable Shares to employees, or to maintain any parity, proportion or balance of Forfeitable Shares between any or all of the employees.

Forfeiture

- 2.4 Forfeitable Shares issued in terms of the rules of the FSP may be forfeited should a Participant cease to be employed by the Group at any time prior to the expiry of a period of three years from the date on which the Forfeitable Shares as specified in the Award Certificate are delivered to the Participant ("Settlement Date").
- 2.5 Participants will furthermore forfeit the Forfeitable Shares should they fail to accept the Forfeitable Award within the prescribed acceptance period or fail to meet any other provision of the Forfeitable Award.
- 2.6 Shares forfeited by a Participant as set out above shall revert back to this FSP

Shares utilised for FSP

- 2.7 The Company may utilise the following Shares in implementation of the rules of the FSP:
- 2.7.1 its treasury Shares, being Shares held by one or more of its subsidiaries and/or Shares held by a trust, through a scheme and/or other entity, where the Shares are controlled by the Company from a voting perspective, but the votes of which will not be taken into account for purposes of resolutions proposed pursuant to the provisions of the JSE Listings Requirements; or
- 2.7.2 Shares purchased through the market from time to time.
- 2.8 The maximum aggregate number of Forfeitable Shares which may be utilised for the purposes of this FSP shall not exceed 3 254 428 Shares provided that such number shall be increased or reduced in direct proportion to the increase or reduction of Shares in the Company's issued share capital arising from any consolidation or sub-division of shares in the capital of the Company.
- 2.9 The maximum aggregate number of Forfeitable Shares which for the purposes of this FSP can be awarded to any employee shall not exceed 162 721 Shares provided that such number shall be increased or reduced in direct proportion to the increase or reduction of Shares in the Company's issued share capital arising from any special dividend, reduction, rights or capitalisation issue of Shares in the capital of the Company.
- 2.10 In the event of the Company undertaking or implementing a capitalisation issue, rights issue, sub-division, consolidation of any securities or reduction of share capital, special dividend or the like (as the case may be), adjustments may be made in the discretion of the Board to the number of Forfeitable Shares utilised for the purposes of this FSP or held by or awarded to a Participant. The Board shall notify the Participants (and any other interested parties) in writing of any adjustments made. Any such adjustments should give a Participant entitlement to the same proportion of the share capital of the Company as to which he was previously entitled. Adjustments made will be reported on in the annual financial statements of the Company in the year in which they are made and the Company's auditors will confirm to the JSE that any such adjustments are in accordance with the provisions of the rules of the FSP
- 2.11 Any allocated equity securities which are not subsequently issued to any identified Participants, will revert back to the FSP
- 2.12 Forfeitable Awards shall be personal to, and only capable of being accepted by, the employee to which they are awarded, and shall not be capable of transfer, cession, pledge or alienation in any way whatsoever save to any extent permitted by the rules of the FSP

Consideration

- 2.13 No consideration shall be payable by the employee for the Forfeitable Shares awarded to him in terms thereof and the purchase consideration shall be funded by the Company.

Acceptance of Forfeitable Awards

- 2.14 A Forfeitable Award must be accepted in writing and duly signed by the Participant concerned within 14 (fourteen) Business Days of the Award Date (“Acceptance Period”) in respect of such Forfeitable Award (“Acceptance Date”).
- 2.15 The Company shall cause the procurement of such number of Shares as may be required to settle the Forfeitable Shares on the Participant as soon as is reasonably possible after the Acceptance Date.

Vesting

- 2.16 The Forfeitable Shares shall vest in the Participant once the following vesting conditions are met:
- 2.16.1 the Participant has been employed by the Group for a period of three years from the Settlement Date (“Initial Restricted Period”);
- 2.16.2 a further period of two years has elapsed since the expiry of the Initial Restricted Period (“Extended Restricted Period”); and
- 2.16.3 no other restriction, forfeiture or prohibition in terms of the FSP rules prevents vesting.
- Once the vesting conditions have been met, the Forfeitable Shares shall vest in the Participant (“Vesting Date”).
- 2.17 During the vesting period, being the period between the Settlement Date and the Vesting Date, and upon acquisition of the Forfeitable Shares awarded to the Participant, they shall be registered in the name of the relevant Participant but delivered to an Escrow Agent, who shall hold such Forfeitable Shares in a restricted trading account until the Vesting Date.

Voting and dividend rights

- 2.18 The risk in and benefit of the Forfeitable Shares shall pass to the Participant on the Settlement Date provided that the Participant shall, with effect from the Settlement Date:
- 2.18.1 be entitled to exercise any voting and other rights, attaching to or associated with the Forfeitable Shares subject to these rules and the JSE Listings Requirements;
- 2.18.2 shall not be entitled to receipt of any dividends declared, paid or made by the Company during the Initial Restricted Period but shall be entitled to receipt of any such dividends during the Extended Restricted Period, which dividends will, subject to the terms of these rules and any dividend withholding tax payable in respect of such dividends, be transferred by the Escrow Agent from the restricted trading account to an unrestricted trading account as soon as is reasonably possible after such dividends are credited to the restricted trading account.
- 2.19 No Forfeitable Share issued in terms of the FSP shall vest in any Participant during any Restricted Period as defined in the JSE Listings Requirements.

Death and early retirement

- 2.20 If a Participant ceases to be an employee prior to the expiry of the Initial Restricted Period by reason of death or early retirement (the date of such death or early retirement being hereinafter referred to as the “Termination Date”), the Forfeitable Award granted to a Participant (or the executor or legal representative of the Participant’s estate, who shall be deemed to be regarded as the Participant in the event of the Participant’s death) as at the Termination Date shall be deemed to vest as at the date of occurrence of the Initial Restricted Period or the Termination Date, whichever is the later and shall be automatically reduced by a specific percentage depending on whether the Termination Date occurs before or after the first or second anniversary of the Settlement Date. If the Termination Date occurs on or after the third anniversary of the Settlement Date there shall be no reduction in respect of the Forfeitable Shares specified in the Forfeitable Award issued to the Participant.

Liquidation

- 2.21 If the Company is placed in liquidation or wound-up otherwise than for the purposes of reorganisation, then any Forfeitable Award which has not been accepted by an employee as at the date of liquidation (being the date upon which any application, whether provisional or final, for the liquidation of the Company is lodged with the relevant court or the date upon which any special

resolution approving the winding up of the Company is filed with the Companies and Intellectual Property Commission, whichever is applicable), shall not be capable of being accepted and the Participant shall be deemed to have immediately forfeited any and all rights in respect of any such Forfeitable Award.

Special provisions – taxation

- 2.22 Any Participant incurring any liability for taxation at any time on or after the Initial Restricted Period or the Extended Restricted Period, shall be entitled upon written request to the Company to sell such number of Forfeitable Shares as may be necessary (in the determination of the Company) to discharge such taxation and accordingly such applicable number of the Participant's Shares shall be deemed to vest.

Amendment of the FSP

- 2.23 These rules of the FSP shall be approved in accordance with paragraphs 14.1, 14.6 and 14.7 of Schedule 14 of the JSE Listings Requirements. Subject to approval by shareholders in general meeting to the extent (if any) required in terms of any statute, regulation, rules or JSE Listings Requirements from time to time and/or compliance with any applicable statute, regulation, rules or the JSE Listings Requirements from time to time, these rules may be amended in writing by the Board from time to time.

Opinion and recommendation

The directors believe that the FSP will be beneficial to the Company and the participants thereof and, in the long term, to its shareholders. The directors intend to vote in favour of this ordinary resolution to be proposed at the general meeting in respect of the shares under their control and recommend that shareholders do likewise.

6. Ordinary resolution number 6: Adoption of Spur Group Share Appreciation Rights Scheme

"To ratify and approve the adoption by the Company of the Spur Group Share Appreciation Rights Scheme ("SAR") in terms of Schedule 14 of the JSE Listings Requirements, the salient terms of which are included in this notice of annual general meeting and the complete document recording the terms of the SAR having been made available for inspection by shareholders at least 14 days prior to the date of this meeting and having been initialled by the chairman of this meeting for identification purposes, and tabled at this meeting."

The above ordinary resolution in terms of the JSE Listings Requirements must be approved by 75% of the votes cast by shareholders present in person or represented by proxy at this annual general meeting.

The SAR has been approved by the JSE in terms of Schedule 14 of the JSE Listings Requirements.

The reason for, and the effect of, this resolution is, and will be, to adopt the SAR in order to incentivise employees to enhance their performance and their interest in the Spur Group's long term business goals through share ownership.

Copies of the SAR are available for inspection from the date of this notice of annual general meeting until the conclusion of the annual general meeting convened in terms thereof at the registered office of the Company and at the offices of Sasfin Capital at 29 Scott Street, Waverley, Gauteng.

The salient features of the SAR rules set out below do not purport to be exhaustive of the provisions of the SAR. For a full appreciation of the provisions thereof shareholders should refer to the full text thereof which is available for inspection as mentioned above.

The directors, whose names are given in Annexure 11 of this report, collectively and individually accept full responsibility for the accuracy of the information given in this resolution and the salient features below and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above-mentioned resolution contains all information required by law and the JSE Listings Requirements.

Salient features of the Spur Group Share Appreciation Rights Scheme

1. Introduction and rationale

- 1.1 The Company wishes to award employees share appreciation rights in terms of the SAR ("Grants") in compliance with Schedule 14 of the JSE Listings Requirements.

- 1.2 The SAR is a discretionary equity-settled plan (save for death, early retirement and taxation as detailed in the terms of the SAR below) offered by the Group for the benefit of the Group and certain of its key employees. The SAR increases the commitment and interest of employees in the Group's long-term business goals and performance through share ownership. The SAR is a performance incentive for employees to execute and enhance the Group's growth strategies.
- 1.3 The SAR results in the benefits of the Grants being settled in ordinary shares of the Company ("Shares") in accordance with the provisions of its rules, such Shares being to the value of the difference between the vesting date price and the price on the grant date of the Grants as set out below.
- 1.4 This SAR replaces and represents a modification of the Company's current share appreciation rights scheme, the material differences being that the SAR shall be an equity-settled plan, shall be subject to performance conditions appropriate to the context of the business of the Group and shall provide for a three-year qualification period prior to vesting, and an additional two-year trading restriction period post the vesting date, as detailed below.

2. Terms of the SAR
Participants and rules of the SAR

- 2.1 Participants under the SAR will be such employees of the Group from time to time to whom a Grant is made by the board of directors of Spur ("Board") in its sole discretion ("Participants").
- 2.2 The Board or the Remuneration Committee of the Company shall have the power and authority, in their discretion, to instruct and authorise the Company to award Grants to Participants in annual tranches, subject to the vesting conditions set out below. Performance conditions forming part of these vesting conditions shall be determined by the Board, taking into account the principle of the alignment of the interest of Participants and the returns of the shareholders of the Company ("Performance Conditions"). Such alignment will be benchmarked by the Board against the performance measures and targets that are appropriate in the context of the business of the Company and the prevailing business environment in which the Company operates at the time of the awarding of each such annual tranche of Grants.
- 2.3 Performance Conditions for each such annual tranche of Grants will be the same for all eligible employees who are awarded Grants in terms of such tranche.
- 2.4 Any terms and conditions which the Board or the Remuneration Committee is entitled to determine in their discretion in terms of these rules shall be specified in a document prepared by the Board which details the name of the employee to whom a Grant is made, the number of share appreciation rights awarded, the grant price, the grant date, the vesting date and any relevant terms and conditions (including any applicable Performance Conditions) contemplated in these rules ("Grant Letter").
- 2.5 All Grants shall be subject to the provisions of the rules of the SAR as read with the Grant Letter and the Board or the Remuneration Committee shall be under no obligation to award the same or similar amount of share appreciation rights to employees.
- 2.6 Grants shall comprise the right of a Participant in terms of this SAR to receive Shares to the value of the difference between the volume-weighted average of the sale price of a Share as traded on the JSE for the ten business days immediately preceding the date on which the Grants vest as detailed below ("Vesting Date Exercise Price") and the volume-weighted average price of a Share as traded on the JSE for the ten business days immediately preceding the date on which the Board resolves to award the Grant specified in the Grant Letter to an employee ("Grant Date") ("Strike Price").

Shares utilised for SAR

- 2.7 The Company may utilise the following Shares in implementation of the rules of the SAR:
 - 2.7.1 its treasury Shares, being Shares held by one or more of its subsidiaries and/or Shares held by a trust, through a scheme and/or other entity, where the Shares are controlled by the Company from a voting perspective, but the votes of which will not be taken into account for purposes of resolutions proposed pursuant to the provisions of the JSE Listings Requirements; or
 - 2.7.2 Shares purchased through the market from time to time.

- 2.8 The maximum aggregate number of Shares which may be utilised for the purposes of this SAR shall not exceed 7 593 665 Shares provided that such number shall be increased or reduced in direct proportion to the increase or reduction of Shares in the Company's issued share capital arising from any consolidation or sub-division of shares in the capital of the Company.
- 2.9 The maximum aggregate number of Shares which for the purposes of this SAR can be awarded to any employee shall not exceed 379 682 Shares provided that such number shall be increased or reduced in direct proportion to the increase or reduction of Shares in the Company's issued share capital arising from any special dividend, reduction, rights or capitalisation issue of Shares in the capital of the Company.
- 2.10 In the event of the Company undertaking or implementing a capitalisation issue, rights issue, sub-division, consolidation of any securities or reduction of share capital, special dividend or the like (as the case may be), adjustments may be made in the discretion of the Board to the number of Shares utilised for the purposes of this SAR or held by or awarded to a Participant in terms of the Grant Letter. The Board shall notify the Participants (and any other interested parties) in writing of any adjustments made. Any such adjustments should give a Participant entitlement to the same proportion of the share capital of the Company as to which he was previously entitled. Adjustments made will be reported on in the annual financial statements of the Company in the year in which they are made and the Company's auditors will confirm to the JSE that any such adjustments are in accordance with the provisions of the rules of the SAR.
- 2.11 Any allocated equity securities which are not subsequently issued to any identified Participants, will revert back to the SAR.
- 2.12 Grants shall be personal to, and only capable of being accepted by, the employee to which it is awarded, shall not be capable of transfer, cession, pledge or alienation in any way whatsoever save to any extent permitted by the rules of the SAR.
- Consideration**
- 2.13 No consideration shall be payable by the Participant for the Grants awarded to him in terms thereof and the purchase consideration shall be funded by the Company.
- Acceptance of Grant**
- 2.14 Receipt of the Grant Letter must be confirmed in writing (in such form as reasonably required by the Company) and duly signed by the Participant concerned within 14 (fourteen) business days of the Grant Date in respect of such Grant.
- 2.15 The Company shall be entitled to cause from time to time after the Grant Date the allocation or procurement of such number of Shares as may be required to be delivered to a Participant in terms of this SAR.
- Vesting**
- 2.16 The share appreciation rights specified in the Grant Letter shall vest in the Participant once the following vesting conditions are met:
- 2.16.1 the Participant has been employed by the Group for a period of three years from the Grant Date;
- 2.16.2 the applicable Performance Conditions have been met; and
- 2.16.3 no other restriction, forfeiture or prohibition in terms of the SAR rules prevents vesting; ("Vesting Conditions").
- Once the Vesting Conditions have been met, the share appreciation rights shall vest in the Participant ("Vesting Date").
- 2.17 Prior to the Vesting Date and upon acquisition of the share appreciation rights awarded to the Participant, the Shares shall be registered in the name of the relevant Participant but delivered to an Escrow Agent, who shall hold such Shares in a restricted trading account until the Vesting Date.

Settlement

- 2.18 The share appreciation rights in terms of the Grants shall be delivered to the Participant on the earliest practicable date, which shall not exceed five business days following the Vesting Date ("Settlement Date").

Voting and dividend rights

- 2.19 The risk in and benefit of the Grants shall pass to the Participant on the Settlement Date provided that the Participant shall, with effect from the Settlement Date:
- 2.19.1 be entitled to exercise any voting and other rights attaching to or associated with the share appreciation rights in terms of the Grants, subject to these Rules and the JSE Listings Requirements; and
 - 2.19.2 shall not be entitled to receipt of any dividends declared, paid or made by the Company prior to the Vesting Date.
- 2.20 No Grants awarded in terms of the SAR shall vest in any Participant during any Restricted Period as defined in the JSE Listings Requirements.

Escrow

- 2.21 The Shares comprising the share appreciation rights (in this paragraph "Escrow Shares") shall be delivered to an escrow agent ("Escrow Agent") in the name of the Participant on the Settlement Date. The Escrow Agent shall hold the Escrow Shares in escrow in a restricted trading account for a period of two years calculated from the Vesting Date ("Escrow Period").
- 2.22 Upon the expiry of the Escrow Period, the Escrow Agent shall release the Escrow Shares from the restricted trading account, subject to any provision to the contrary (including the payment of any taxation in terms of paragraph 2.27 below) in the FSP rules. During the Escrow Period:
- 2.22.1 The Participant shall not be entitled to transfer any Escrow Shares save to the extent, if any, necessary to discharge any taxation in terms of paragraph 2.27 below.
 - 2.22.2 With reference to paragraph 2.19 above, the risk in and benefit of the Escrow Shares shall be and remain with the Participant subject to these SAR rules and the JSE Listings Requirements (including as to any voting and any other rights attaching to the Escrow Shares) and the Participant shall be entitled to the receipt of dividends (less withholding tax) during the Escrow Period.

Forfeiture

- 2.23 Participants shall forfeit their right, title and interest to any or all of the Grants should:
- 2.23.1 they cease to be employed by the Group for any reason at any time prior to the expiry of a period of three years from the Grant Date;
 - 2.23.2 fail to meet any or all of the Vesting Conditions; or
 - 2.23.3 fail to comply with the obligations and conditions of the Grant Letter.
- 2.24 Forfeited Grants shall revert back to the SAR.

Death and early retirement

- 2.25 If a Participant ceases to be an employee prior to the Vesting Date by reason of death or early retirement (the date of such death or early retirement being hereinafter referred to as the "Termination Date"), the Grant awarded to a Participant (or the executor or legal representative of the Participant's estate, who shall be deemed to be regarded as the Participant in the event of the Participant's death) as at the Termination Date shall be automatically reduced by a specific percentage depending on whether the Termination Date occurs before or after the first or second anniversary of the Settlement Date. If the Termination Date occurs on or after the third anniversary of the Settlement Date, there shall be no reduction in respect of the Grant specified in the Grant Letter issued to the Participant.

Liquidation

- 2.26 If the Company is placed in liquidation or wound-up at any time prior to the Vesting Date otherwise than for the purposes of reorganisation, any SAR's in existence as at the date of liquidation (being the date upon which any application, whether provisional or final, for the liquidation of the Company is lodged with the relevant court or the date upon which any special resolution approving the winding up of the Company is filed with the Companies and Intellectual Property Commission, whichever is applicable), shall not be capable of being accepted and the Participant shall be deemed to have immediately forfeited any and all rights in respect of any such Grant.

Special provisions – taxation

- 2.27 In the event of the Company or the Group incurring in the discretion of the Board any obligation (including in terms of PAYE), risk or liability, actual or contingent, in respect of any form of taxation payable at any time by a Participant in terms of this SAR, including any taxation payable as at the Vesting Date or the Settlement Date or at any other time ("Participant Taxation"), the Company or Group is irrevocably authorised in terms of the SAR by the Participant to sell such number of the Shares to which such Participant is entitled in terms of the Grant, as is necessary to discharge any Participant Taxation.

Amendment of the SAR

- 2.28 These rules of the SAR shall be approved in accordance with paragraphs 14.1, 14.6 and 14.7 of Schedule 14 of the JSE Listings Requirements. Subject to approval by shareholders in general meeting to the extent (if any) required in terms of any statute, regulation, rules or JSE Listings Requirements from time to time and/or compliance with any applicable statute, regulation, rules or the JSE Listings Requirements from time to time, these rules may be amended in writing by the Board from time to time.

Opinion and recommendation

The directors believe that the SAR will be beneficial to the Company and the participants thereof and, in the long term, to its shareholders. The directors intend to vote in favour of this ordinary resolution to be proposed at the general meeting in respect of the Shares under their control and recommend that shareholders do likewise.

SPECIAL BUSINESS

To consider, and, if deemed fit, pass, the following special resolutions (numbers 1 to 3), with or without modification (in order to be adopted these resolutions require the support of at least 75% of the total number of votes exercisable by shareholders present or represented by proxy at the meeting):

7. Special Resolution Number 1: The authority to repurchase shares

"To authorise the Company (or one of its subsidiaries) to repurchase or purchase, as the case may be, ordinary shares issued by the Company on such terms and conditions and in such amounts as the directors of the Company may from time to time determine, but subject always to the provisions of sections 46 and 48 of the Act, the Listings Requirements of the JSE ("JSE Listings Requirements") and the following limitations:

- (i) that the repurchase of shares be effected through the order book operated by the JSE trading system and be done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- (ii) that this authority shall not extend beyond 15 months from the date of this resolution or the date of the next annual general meeting, whichever is the earlier date;
- (iii) that authorisation thereto is given by the Company's Memorandum of Incorporation;
- (iv) that an announcement be made giving such details as may be required in terms of the JSE Listings Requirements when the Company (or a subsidiary or subsidiaries collectively) has cumulatively repurchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter;
- (v) at any one time, the Company (or any subsidiary) may only appoint one agent to effect any repurchase on behalf of the Company or any subsidiary (as the case may be);

- (vi) the repurchase of shares by the Company or its subsidiaries will not take place during a prohibited period as defined by the JSE Listings Requirements unless they have in place a repurchase programme where the dates and quantities of securities to be traded during the relevant period are fixed (not subject to any variation), and this programme has been submitted to the JSE in writing. The Company must instruct an independent third party, which makes its investment decisions in relation to the Company's securities independently of, and uninfluenced by, the Company, prior to commencement of the prohibited period to execute the repurchase programme submitted to the JSE;
- (vii) the repurchase of shares shall not, in the aggregate, in any one financial year, exceed 20% of the Company's issued share capital at the time this authority is given; provided that a subsidiary of the Company (or subsidiaries of the Company collectively) shall not hold in excess of 10% of the number of shares issued by the Company;
- (viii) the repurchase of shares may not be made at a price greater than 10% above the weighted average traded price of the market value of the shares as determined over the five business days immediately preceding the date on which the transaction was effected; and
- (ix) prior to entering the market to proceed with the repurchase, the board of the Company shall have passed a resolution that it has authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity tests as set out in section 4 of the Act and confirming that since the tests were performed, there had been no material changes to the financial position of the group."

The reason for this special resolution is, and the effect thereof will be, to grant, in terms of the provisions of the Act and the JSE Listings Requirements, and subject to the terms and conditions embodied in the said special resolution, a general authority to the directors to approve the acquisition by the Company of its own shares, or by a subsidiary (or subsidiaries) of the Company of the Company's shares, which authority shall be used by the directors at their discretion during the course of the period so authorised.

Disclosures required in terms of the JSE Listings Requirements

In terms of the JSE Listings Requirements, the following disclosures are required with reference to the repurchase of the Company's shares as set out in Special Resolution Number 1 above:

Statement of directors

As at the date of this report the Company's directors undertake that, after considering the effect of the maximum repurchase permitted, they will not implement any such repurchase unless the provisions of sections 4 and 48 of the Act will be complied with and for a period of 12 months after such general repurchase:

- (i) the Company and the group will be able, in the ordinary course of business, to pay its debts;
- (ii) the assets of the Company and the group will be in excess of the liabilities of the Company and the group, recognised and measured in accordance with International Financial Reporting Standards;
- (iii) the share capital and reserves of the Company and the group will be adequate for ordinary business purposes;
- (iv) the working capital resources of the Company and the group will be adequate for ordinary business purposes; and
- (v) the Company and the group have complied with the applicable provisions of the Act and the JSE Listings Requirements.

Directors' responsibility statement

The directors, whose names are given in Annexure 11 to this report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolution and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolution contains all information required by law and the JSE Listings Requirements.

Material changes

Other than the facts and developments reported on in this report, there have been no material changes in the affairs, financial or trading position of the group since the signature date of this report and the posting date thereof.

The following further disclosures required in terms of the JSE Listings Requirements are set out in accordance with the reference pages in the report of which this notice forms part:

- Major shareholders of the Company (refer Annexure 7 to this report)
- Share capital (refer Annexure 8 to this report)

8. Special Resolution Number 2: The authority to pay directors' remuneration

"To approve the board's recommendation in respect of remuneration of non-executive directors for services in their capacity as directors (including services rendered on any board committee), as contemplated in section 66(9) of the Act, with effect from 1 July 2015, until the expiry of a period of 24 months from the date of passing of this special resolution number 2 (or until amended by special resolution of shareholders prior to the expiry of such period), which remuneration is, in the aggregate for each non-executive director, R400 000 per annum as detailed in Annexure 5 to this report."

The reason for, and the effect of, this special resolution is to enable the Company to comply with the provisions of sections 65(11)(h), 66(8) and 66(9) of the Act, which stipulate that, subsequent to the commencement date of the Act on 1 May 2011, remuneration to directors for their services as directors may be paid only in accordance with a special resolution approved by shareholders within the previous two years.

9. Special Resolution Number 3: The authority to provide financial assistance

"To authorise the directors in terms of, and subject to, the provisions of sections 44 and/or 45 of the Act to cause the Company to, from time to time, provide any direct and/or indirect financial assistance (whether by way of loan, guarantee, the provision of security or otherwise) for a period of two years commencing on the date of this special resolution to any of its present or future subsidiaries and/or any other company or corporation which is or becomes related or inter-related to the Company for any purpose or in connection with any matter, including, but not limited to, the subscription of any option, or any securities issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or related or inter-related company; provided that the board is satisfied that immediately after providing the financial assistance, the Company will satisfy the solvency and liquidity tests contemplated in section 4 of the Act, that the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company and that the conditions or restrictions in respect of the granting of the financial assistance which may be set out in the Company's Memorandum of Incorporation have been satisfied."

The reason for this special resolution is, and the effect thereof will be, to authorise the board to cause the Company to provide financial assistance to any entity which is related or inter-related to the Company.

VOTING PROXIES

In terms of section 63(1) of the Companies Act, before any person may attend or participate in a shareholders meeting such as the meeting convened in terms of this notice of general meeting, that person must present reasonably satisfactory identification and the person presiding at the meeting must be reasonably satisfied that the right of that person to participate and vote, either as a shareholder, or as a proxy for a shareholder, has been reasonably verified. The company will regard presentation of an original of a meeting participant's valid driver's license, identity document or passport to be satisfactory identification.

On a show of hands every shareholder present in person or by proxy and if a member is a body corporate, its representative, shall have one vote and on a poll every shareholder present in person or by proxy and if the person is a body corporate, its representative, shall have one vote for every share held or represented by him.

A form of proxy is attached for completion by registered certificated shareholders and dematerialised shareholders with own name registration who are unable to attend the annual general meeting in person.

Forms of proxy must be completed and received at the Company's transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: PO Box 61051, Marshalltown, 2107) ("Transfer Secretaries") by no later than 11:00 on Thursday, 3 December 2015.

1. Registered certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy will nevertheless be entitled to attend and vote in person at the annual general meeting to the exclusion of their appointed proxy/(ies) should such member wish to do so.
2. Dematerialised shareholders, other than with own name registrations, must inform their CSDP or broker of their intention to attend the annual general meeting and obtain the necessary authorisation from their CSDP or broker to attend the annual general meeting or provide their CSDP or broker with their voting instructions should they not be able to attend the annual general meeting in person but wish to be represented thereat. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the company) to attend, speak and vote in his/her stead.

Shares held by a share trust or scheme will not have their votes at the annual general meeting taken into account for purposes of the resolutions proposed in terms of the JSE Listings Requirements. Shares held as treasury shares will not have their votes taken into account at the annual general meeting.

RELEVANT DATES

Record date to determine which shareholders are entitled to receive the notice of annual general meeting	Friday, 25 September 2015
Last day to trade in order to be eligible to attend and vote at the annual general meeting	Friday, 20 November 2015
Record date to determine which shareholders are entitled to attend and vote at the annual general meeting	Friday, 27 November 2015
Forms of proxy to be lodged by 11:00 on	Thursday, 3 December 2015
Annual general meeting of the Company to be held at 11:00 on	Friday, 4 December 2015
Results of the annual general meeting announced on SENS	Friday, 4 December 2015

By order of the board



Nazrana Hawa
COMPANY SECRETARY
 Cape Town

12 October 2015

ANNEXURE 1: ABRIDGED (SUMMARISED AUDITED) CONSOLIDATED FINANCIAL STATEMENTS

ABRIDGED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2015

	2015 R'000	2014 R'000
Revenue	760 059	732 636
Cost of sales	(210 468)	(210 640)
Gross profit	549 591	521 996
Other income ¹	49 879	40 606
Administration expenses	(146 539)	(148 375)
Franchise operations expenses	(57 088)	(46 201)
Distribution expenses	(4 202)	(8 841)
Impairment losses (refer note 5)	(14 959)	(4 362)
Other non-trading losses ²	(41 183)	–
Retail operating expenses	(153 061)	(159 824)
Operating profit before finance income	182 438	194 999
Net finance income	24 616	7 251
Share of loss of equity-accounted investee (net of income tax)	(1 633)	(379)
Profit before income tax	205 421	201 871
Income tax expense	(69 768)	(64 638)
Profit for the year	135 653	137 233
Other comprehensive income³	(3 287)	5 621
Foreign currency translation differences for foreign operations	(11 756)	8 348
Reclassification of foreign currency loss/(gain) from other comprehensive income to profit on disposal/abandonment/deregistration of foreign operations	2 215	(3 386)
Foreign exchange gain on net investments in foreign operations	8 338	879
Tax on foreign exchange gain on net investments in foreign operations	(2 084)	(220)
Total comprehensive income for the year	132 366	142 854
Profit attributable to:		
Owners of the company	127 555	136 331
Non-controlling interest	8 098	902
Profit for the year	135 653	137 233
Total comprehensive income attributable to:		
Owners of the company	124 634	142 932
Non-controlling interest	7 732	(78)
Total comprehensive income for the year	132 366	142 854

¹ Includes profit on disposal of subsidiaries of R5.120 million (2014: R2.154 million) (refer note 8), and the release of the financial liability arising on the dissolution of Larkspur Five Ltd of R5.173 million (refer note 10.1).

² Includes share-based payment charge of R32.957 million relating to the GPI B-BBEE equity transaction (refer note 3), loss on disposal of Silver Spur of R4.545 million (refer note 8.3) and fair value adjustment of R3.681 million on the contingent consideration liability arising from the acquisition of RocoMamas (refer note 6.1).

³ All items included in other comprehensive income are items that are, or may be, reclassified to profit or loss.

Earnings per share (cents)

Basic earnings	137.69	159.20
Diluted earnings	137.69	159.20

RECONCILIATION OF HEADLINE EARNINGS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 R'000	2014 R'000
Profit attributable to ordinary shareholders	127 555	136 331
Headline earnings adjustments:		
Impairment of property, plant and equipment (refer note 5)	1 054	2 313
Impairment of intangible assets (refer note 5)	11 309	1 866
(Profit)/loss on disposal of property, plant and equipment (net of tax)	(47)	233
Profit on disposal of subsidiaries (refer note 8)	(5 120)	(2 154)
Loss on disposal of subsidiary (refer note 8)	4 545	-
Reclassification of foreign currency loss/(gain) from other comprehensive income to profit or loss on disposal/abandonment/deregistration of foreign operations (refer notes 5.3, 8, 10 and 12)	2 215	(3 386)
Headline earnings	141 511	135 203

None of the above items have any tax or non-controlling interest consequences with the exception of:

- Gross impairment of property, plant and equipment amounts to R2.496 million for the year ended 30 June 2014 with an amount of R0.183 million attributable to non-controlling interest.
- Gross impairment of intangible assets amounts to R13.905 million for the year with a deferred tax credit amount of R2.596 million.
- (Profit)/loss on disposal of property, plant and equipment comprises a profit of R0.065 million for the year (2014: R0.444 million loss) adjusted for tax of R0.018 million (2014: R0.211 million).

ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	2015 R'000	2014 R'000
ASSETS		
Non-current assets	632 409	512 900
Property, plant and equipment	86 481	77 289
Intangible assets and goodwill	384 610	359 742
Interest in equity-accounted investee	–	21
Loans receivable	142 996	53 450
Deferred tax	4 446	6 536
Leasing rights	2 855	3 352
Derivative financial asset	11 021	12 510
Current assets	473 875	225 071
Inventories	11 729	12 132
Tax receivable	17 164	10 719
Trade and other receivables	97 828	82 650
Loans receivable	25 143	5 447
Derivative financial asset	17 160	22 157
Cash and cash equivalents	304 851	91 966
TOTAL ASSETS	1 106 284	737 971
EQUITY		
Total equity	854 095	519 620
Ordinary share capital (refer Annexure 8)	1	1
Share premium	294 663	6
Shares repurchased by subsidiaries (refer Annexure 8)	(88 622)	(77 235)
Foreign currency translation reserve	22 314	25 235
Retained earnings	618 675	575 670
Total equity attributable to equity holders of the parent	847 031	523 677
Non-controlling interests	7 064	(4 057)
LIABILITIES		
Non-current liabilities	108 440	82 526
Contingent consideration liability (refer note 6.1)	31 409	–
Employee benefits	8 826	10 909
Derivative financial liability	–	319
Operating lease liability	1 200	1 776
Deferred tax	67 005	69 522
Current liabilities	143 749	135 825
Bank overdrafts	3 557	539
Tax payable	1 893	4 559
Trade and other payables	83 235	78 453
Loans payable	18 818	29 846
Contingent consideration liability (refer note 6.1)	15 974	–
Employee benefits	19 790	22 017
Shareholders for dividend	482	411
TOTAL EQUITY AND LIABILITIES	1 106 284	737 971

ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2015

	Ordinary share capital and share premium (net of treasury shares) R'000	Retained earnings and other reserves R'000	Non-controlling interests R'000	Total R'000
Balance at 1 July 2013	(77 228)	554 694	(4 940)	472 526
Total comprehensive income for the year	–	142 932	(78)	142 854
Profit for the year	–	136 331	902	137 233
Other comprehensive income	–	6 601	(980)	5 621
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	–	(96 766)	–	(96 766)
Distributions to equity holders	–	(96 766)	–	(96 766)
Changes in ownership interests in subsidiaries that do not result in a loss of control	–	45	(45)	–
Acquisition of non-controlling interest in subsidiary	–	45	(45)	–
Changes in ownership interests in subsidiaries that result in a loss of control	–	–	1 006	1 006
Derecognition of non-controlling interest (refer note 8.4)	–	–	1 006	1 006
Total transactions with owners	–	(96 721)	961	(95 760)
Balance at 30 June 2014	(77 228)	600 905	(4 057)	519 620
Total comprehensive income for the period	–	124 634	7 732	132 366
Profit for the year	–	127 555	8 098	135 653
Other comprehensive income	–	(2 921)	(366)	(3 287)
Transactions with owners, recorded directly in equity				
Contributions by and distributions to owners	283 270	(82 450)	–	200 820
Issue of ordinary shares (refer note 3)	294 657	(991)	–	293 666
Equity-settled share-based payment (refer note 3)	–	32 957	–	32 957
Own shares acquired	(11 387)	–	–	(11 387)
Distributions to equity holders	–	(114 416)	–	(114 416)
Changes in ownership interests in subsidiaries	–	(2 100)	3 243	1 143
Acquisition of subsidiary with non-controlling interests (refer note 6.1)	–	–	3 135	3 135
Acquisition of non-controlling interest in subsidiary without a change in control (refer note 7)	–	(2 100)	108	(1 992)
Changes in ownership interests in subsidiaries that result in a loss of control	–	–	146	146
Derecognition of non-controlling interest (refer note 8.2)	–	–	146	146
Total transactions with owners	283 270	(84 550)	3 389	202 109
Balance at 30 June 2015	206 042	640 989	7 064	854 095

ABRIDGED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2015

	2015 R'000	2014 R'000
Cash flow from operating activities		
Operating profit before working capital changes (refer note a)	222 786	198 644
Working capital changes	(12 883)	3 971
Cash generated from operations	209 903	202 615
Interest income received	16 890	6 538
Interest expense paid	(65)	(225)
Tax paid	(83 666)	(66 891)
Dividends paid	(114 345)	(96 682)
Net cash flow from operating activities	28 717	45 355
Cash flow from investing activities		
Acquisition of interest in associate (refer note 9)	–	(36 650)
Acquisitions of subsidiaries and business combinations (refer note 6)	(1 382)	(35 380)
Additions of property, plant and equipment	(30 785)	(10 082)
Cash inflow from share-based payment hedge (refer note 4)	20 961	21 364
Decrease in loans receivable	8 712	6 479
Disposals of subsidiaries (refer note 8)	(653)	–
Investment in preference shares relating to GPI B-BBEE equity transaction (refer note 3)	(72 613)	–
Loan advanced to associate company	(10 000)	–
Loans advanced to Captain DoRegos and Spur Marketing Funds	(500)	(8 103)
Loans advanced to franchisees	(11 161)	(2 303)
Proceeds from disposal of property, plant and equipment	79	1 191
Net cash flow from investing activities	(97 342)	(63 484)
Cash flow from financing activities		
Acquisition of non-controlling interest without a change in control (refer note 7)	(1 992)	–
Acquisition of treasury shares (refer Annexure 8)	(11 387)	–
Costs incurred on issue of ordinary shares (refer note 3)	(991)	–
Landlord tenant installation allowance received	–	947
Loan repaid to non-controlling shareholders	(2 236)	(4 617)
Proceeds from the issue of ordinary shares (refer note 3)	294 657	–
Net cash flow from financing activities	278 051	(3 670)
Net movement in cash and cash equivalents	209 426	(21 799)
Effect of foreign exchange fluctuations	441	7
Net cash and cash equivalents at beginning of year	91 427	113 219
Net cash and cash equivalents at end of year	301 294	91 427

- a) **Operating profit before working capital changes** – Includes a gross cash outflow of R24.045 million (2014: R23.357 million) in respect of the settlement of the share appreciation rights granted in terms of the group's long-term share-linked employee retention scheme (refer also note 4).

SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2015

	2015	2014
Total shares in issue (000's)	108 481	97 633
Net shares in issue (000's)*	96 120	85 633
Weighted average number of shares in issue (000's)	92 636	85 633
Diluted weighted average number of shares in issue (000's)	92 636	85 633
Headline earnings per share (cents)	152.76	157.89
Diluted headline earnings per share (cents)	152.76	157.89
Net asset value per share (cents)	888.57	606.80
Dividend per share (cents)	132.00	121.00
Reconciliation of weighted average number of shares in issue ('000)		
Gross shares in issue at the beginning of the year	97 633	97 633
Shares repurchased at the beginning of the year	(12 000)	(12 000)
Shares repurchased during the year weighted for period that not held by the group	(219)	-
Shares issued during the year weighted for period in issue (refer note 3)	7 222	-
	92 636	85 633

* 108 480 926 (2014: 97 632 833) total shares in issue less 5 572 401 (2014: 5 311 128) shares repurchased by a wholly-owned subsidiary company, 6 688 698 (2014: 6 688 698) shares held by the Spur Management Share Trust (consolidated structured entity) and 100 000 (2014: nil) shares held by The Spur Foundation Trust (consolidated structured entity).

ABRIDGED CONSOLIDATED OPERATING SEGMENT REPORT

FOR THE YEAR ENDED 30 JUNE 2015

	2015 R'000	2014 R'000
External revenue		
Manufacturing and distribution (refer note a)	173 924	176 576
Franchise – Spur	217 276	198 498
Franchise – Panarottis	27 575	20 932
Franchise – John Dory's	16 220	14 271
Franchise – Captain DoRegos	6 077	8 185
Franchise – The Hussar Grill (refer note c)	2 417	700
Franchise – RocoMamas (refer note d)	2 175	–
Retail – The Hussar Grill (refer note c)	30 760	14 988
Other South Africa (refer note e)	58 861	44 958
Total South African segments	535 285	479 108
Unallocated – South Africa	1 720	1 595
Total South Africa	537 005	480 703
United Kingdom (refer note g)	147 657	157 565
Australia (refer note h)	55 729	79 366
Other International (refer note i)	19 668	15 002
Total International	223 054	251 933
TOTAL EXTERNAL REVENUE	760 059	732 636
Profit/(loss) before income tax		
Manufacturing and distribution (refer note a)	67 083	58 520
Franchise – Spur	194 037	176 552
Franchise – Panarottis	18 904	13 117
Franchise – John Dory's	9 119	7 736
Franchise – Captain DoRegos (refer note b)	(11 821)	2 158
Franchise – The Hussar Grill (refer note c)	1 298	471
Franchise – RocoMamas (refer note d)	1 386	–
Retail – The Hussar Grill (refer note c)	4 645	2 354
Other South Africa (refer note e)	327	(160)
Total South African segments	284 978	260 748
Unallocated – South Africa (refer note f)	(81 818)	(60 020)
Total South Africa	203 160	200 728
United Kingdom (refer note g)	(4 714)	(2 232)
Australia (refer note h)	4 488	(157)
Other International (refer note i)	10 616	8 829
Total International segments	10 390	6 440
Unallocated – International (refer note j)	(6 496)	(4 918)
Total International	3 894	1 522
PROFIT BEFORE INCOME TAX AND SHARE OF LOSS OF EQUITY-ACCOUNTED INVESTEE	207 054	202 250
Share of loss of equity-accounted investee (net of income tax)	(1 633)	(379)
PROFIT BEFORE INCOME TAX	205 421	201 871

Notes

- a) **Manufacturing and distribution** – Includes revenue of Rnil (2014: R22.724 million) and loss before income tax of Rnil (2014: R1.361 million) relating to the Captain DoRegos warehouse and distribution centre (refer also note 11). Included in the prior year are costs of R1.326 million associated with the closure of the distribution centre including retrenchment costs, losses on sales of property, plant and equipment and the impact of the increased cost of working during the process of closing down the facility.
- b) **Captain DoRegos** – Includes an impairment loss of R13.905 million relating to intangible assets (refer also note 5.1).
- c) **The Hussar Grill** – The Hussar Grill franchise division and three company-owned retail restaurants were acquired with effect from 1 January 2014. Refer also note 6.2 for more details.
- d) **RocoMamas** – The RocoMamas franchise division was acquired with effect from 1 March 2015. Refer also note 6.1 for more details.
- e) **Other South Africa** – Other local segments include the group's training division, export business, décor manufacturing business, call centre and radio station which are each individually not material.
- f) **Unallocated – South Africa** – Includes net finance income of R24.352 million (2014: R7.118 million), which includes interest and preference dividends relating to the GPI B-BBEE equity transaction (refer also note 3). Includes a charge in respect of cash-settled share-based payments of R19.735 million (2014: R28.117 million) and a fair value gain in respect of a related economic hedge of R14.794 million (2014: R17.922 million gain) (refer also note 4). Includes net income of R1.761 million (2014: R0.122 million) arising from the Spur Foundation Trust, a consolidated structured entity, all of which is attributable to non-controlling interests. The current year includes a share-based payment charge of R32.957 million relating to the GPI equity transaction (refer also note 3), as well as related professional and advisory costs of R0.301 million. The current year also includes transaction costs for the acquisition of RocoMamas of R0.233 million and a fair value adjustment relating to the contingent consideration liability of R3.681 million (refer also note 6.1). The current year includes professional advisory fees of R0.481 million relating to defending the tax queries detailed in note 14. The prior year includes transaction costs for the acquisition of The Hussar Grill of R1.620 million (refer also note 6.2) and costs of R0.495 million relating to the international group restructure undertaken during the prior year (refer also note 12).
- g) **United Kingdom** – The Mohawk Spur in Wandsworth (England) ceased trading on 28 February 2015; the prior year includes an impairment of franchise rights (intangible asset) amounting to R1.866 million and the accelerated amortisation of leasing rights amounting to R1.612 million relating to the entity (refer also note 5.3). The current year includes a gain on the release of the non-controlling shareholder's loan in Larkspur Five Limited of R5.173 million on the dissolution of the entity (refer also note 10). The current year also includes an impairment loss of R1.054 million relating to property, plant and equipment of the Cheyenne Spur in the O₂ Dome in London (England) (refer also note 5.2).
- h) **Australia** – The current year includes a profit of R1.506 million on the disposal of the Panarottis outlet in Blacktown (refer also note 8.2), a profit of R3.448 million on the disposal of the Panarottis outlet in Penrith (refer also note 8.1) and a loss of R4.674 million on the disposal of the Silver Spur in Penrith (refer also note 8.3). The prior year includes an impairment loss of R2.496 million relating to the impairment of property, plant and equipment of the Panarottis in Blacktown (refer also note 5.4) as well as a profit of R2.154 million on the disposal of the Panarottis in Tuggerah (refer also note 8.4).
- i) **Other International** – Other international segments comprise the group's franchise operations in Africa (outside of South Africa), Mauritius and the United Arab Emirates.
- j) **Unallocated – International** – Includes a foreign exchange gain of R2.088 million (2014: R0.687 million loss) and a loss of R1.920 million (2014: R3.386 million gain) relating to the reclassification of foreign exchange differences arising on the translation of foreign operations previously recognised in other comprehensive income (FCTR), from other comprehensive income to profit, on abandonment/deregistration of foreign operations (refer also notes 5.3, 10 and 12). The current year also includes professional advisory costs of R0.829 million relating to the group's international tax structure. The prior year includes costs of R1.674 million relating to the group restructure undertaken during the prior year (refer also note 12).

NOTES TO THE ABRIDGED (SUMMARISED AUDITED) CONSOLIDATED ANNUAL FINANCIAL STATEMENTS:

1. BASIS OF PREPARATION

These abridged (summarised audited) financial statements for the year ended 30 June 2015 have been extracted from the audited financial statements for the year then ended, but are not audited themselves. The directors take full responsibility for the preparation of the abridged report and that the financial information has been correctly extracted from the underlying audited annual financial statements. These abridged (summarised audited) financial statements have been prepared in accordance with the requirements of the JSE Limited Listings Requirements for abridged reports and the requirements of the South African Companies Act (Act No. 71 of 2008) as applicable to summarised financial statements.

The audited financial statements from which the abridged (summarised audited) financial statements are extracted have been prepared in accordance with International Financial Reporting Standards ("IFRS").

2. AUDIT REPORT

The financial statements from which this abridged report was extracted were audited by KPMG Inc., who expressed an unmodified opinion thereon. The audited financial statements and the auditors' report thereon are available for inspection at the company's registered office.

3. BROAD-BASED BLACK ECONOMIC EMPOWERMENT TRANSACTION WITH GPI

As detailed in the circular to shareholders of 4 September 2014, and approved by shareholders at a general meeting on 3 October 2014, the company concluded various agreements to issue 10 848 093 new ordinary shares indirectly to Grand Parade Investments Limited ("GPI"), a strategic black empowerment partner, and separately donate 500 000 of the company's shares (100 000 shares per annum over five years), held as treasury shares, to the Spur Foundation, a benevolent foundation that is a consolidated structured entity. Both transactions were executed on 30 October 2014. In terms of the agreements, GPI is restricted from trading the shares in question without the express permission of the company for a period of five years from the effective date of the transaction and is furthermore required to maintain its broad-based black economic empowerment credentials for the same period.

The shares were issued at a price of R27.16 per share, representing a 10% discount to the volume-weighted average trading price of the company's shares on the JSE for the 90 trading days prior to 30 July 2014, resulting in the aggregate proceeds from the issue of shares amounting to R294.657 million. The market price of the shares on 30 October 2014 was R30.20 per share, equating to an effective discount of R32.957 million in aggregate. This discount has been recognised as a share-based payment expense in accordance with IFRS2 – *Share-based Payments* and included in profit before income tax for the period, with a corresponding credit to equity (retained earnings).

The group partially funded GPI's share acquisition through a subscription of cumulative compulsorily redeemable five-year preference shares in an unconsolidated structured entity with a combined subscription value of R72.328 million (representing 24.5% of the total funding requirement for the transaction). The preference shares accrue dividends at a rate of 90% of the prevailing prime overdraft rate of interest and are subordinated in favour of the external funding provider. GPI has funded 24.5% of the total funding requirement and an external funding provider has funded the balance of 51% of the total funding requirement. The preference shares are secured by a cession of the reversionary interest in the Spur Corporation Ltd shares held indirectly by GPI which also serve as security for the external funding. The preference share investment is treated as a financial asset carried at amortised cost, but was initially recognised at fair value (refer note 13.2).

The transaction resulted in a net cash inflow of R222.328 million for the group. Of the total transaction costs of R1.577 million: R0.285 million relate directly to the subscription of the preference shares referred to above and are included in the carrying value of the preference shares; R0.991 million relate directly to the issue of the company's ordinary shares and have been charged directly against equity (retained earnings); and the balance of R0.301 million is included in profit before income tax.

4. LONG-TERM SHARE-LINKED EMPLOYEE RETENTION SCHEME

In December 2014, the second tranche (December 2013: first tranche) of share appreciation rights granted in terms of the group's long-term share-linked retention scheme was settled in cash. This resulted in a gross cash outflow of R24.045 million (2014: R23.357 million) to the scheme participants. Simultaneously, the economic hedging instrument utilised by the group matured which resulted in a gross cash inflow of R19.725 million (2014: R19.920 million). During the year, the share-based payment expense in respect of the scheme included in profit before income tax amounted to R19.735 million (2014: R28.117 million), while the gain on the related economic hedging instrument recognised in profit before income tax amounted to R14.794 million (2014: R17.922 million gain). Refer also note 13.1.

5. IMPAIRMENTS

5.1 Captain DoRegos

The Captain DoRegos brand is a value oriented takeaway chain offering a combination of chicken, seafood and burgers to consumers operating through 57 franchised outlets locally and two internationally. The cash-generating unit has experienced a sustained period of profits being below expectations, due to the slowdown in the South African economy in recent years and its impact on the brand's target market. In addition, as the trademark and related intellectual property assets are indefinite useful life assets, a mandatory impairment test is conducted annually.

In assessing the recoverable amount of the cash-generating unit, the directors have estimated the value-in-use of the cash-generating unit. Given the nature of the franchise business, the directors consider that the cash-generating unit's fair value less costs to sell is unlikely to differ significantly from its value-in-use. The carrying value of the cash-generating unit comprises predominantly the value of the intangible assets, which amounted to R39.652 million at the reporting date (prior to any impairment).

In determining the value-in-use of the cash-generating unit, the directors applied the following key assumptions:

- Cash inflows, comprising franchise fees, were estimated based on conservative budgets for the 2016 financial year and inflationary increases of 6% per annum for the 2017 to 2020 forecast horizon, adjusting for a net four new stores in each of the 2016 and 2017 financial years, and a net six new stores in each of the 2018 to 2020 financial years;
- Cash outflows for the 2016 financial year were estimated based on detailed expense budgets prepared by management adjusted for the remainder of the forecast period as detailed below;
- Variable costs were estimated to increase in line with revenue; while fixed overhead expenses (comprising largely employment related costs) were projected to escalate at 9% per annum.
- Growth of cash flows in perpetuity beyond the forecast horizon was estimated at 6%, being the targeted South African inflation rate.
- Pre-tax cash flows were discounted at a pre-tax rate of 18%, being the group's risk-adjusted pre-tax weighted average cost of capital.

Based on the value-in-use calculation, the recoverable amount of the cash-generating unit was estimated at R25.747 million, resulting in an impairment of R13.905 million included in profit before income tax. A corresponding deferred tax credit of R2.596 million has been recognised in profit, resulting in a net loss included in profit attributable to ordinary shareholders of R11.309 million.

Management has implemented the necessary cost control measures to maintain and improve the division's operating margin. In addition, management is confident that its marketing strategy and focus on operating standards should result in its projections being achieved.

5.2 Cheyenne Spur in the O₂ Dome London (England)

The Cheyenne Spur in the O₂ Dome in London commenced trading in 2007. During the current year, the increased costs of occupancy, labour and raw material inputs impacted negatively on the profitability of the outlet. Increased competition also kept revenue growth contained. As a consequence, the outlet incurred a cash flow loss for the year, indicating a possible impairment.

In assessing the recoverable amount of the restaurant as a cash-generating unit, the directors have estimated the value-in-use of the cash-generating unit. Given the nature of the restaurant industry and the limited presence of the group's trading brands in the UK, the directors assert that the cash-generating unit's fair value less costs to sell is unlikely to be significant in relation to its value-in-use.

The cash-generating unit comprises predominantly property, plant and equipment and net working capital.

In determining the value-in-use of the cash-generating unit, the directors applied the following key assumptions which are based on historic performance:

- Cash inflows, comprising restaurant turnovers, were estimated based on conservative budgets for the 2016 financial year and inflationary increases of 2% per annum for the 2017 to 2020 forecast horizon;
- Cash outflows for the 2016 financial year were estimated based on the most recent expense budgets prepared by management and adjusted for the remainder of the forecast period as detailed below;
- Variable costs were estimated to increase in line with turnover;
- Fixed costs were estimated to increase at the UK targeted inflation rate of 2%;
- Semi-variable costs were adjusted in part for anticipated inflation and in part by the change in anticipated turnover;
- Rental cost was forecast in accordance with the lease agreement;
- Growth in perpetuity of cash flows beyond the five year forecast horizon was estimated at 2%;
- Pre-tax cash flows were discounted at a pre-tax rate of 10.0%, being the risk-free rate of 0.5% (the Bank of England base rate) adjusted for risk factors; and
- The present value of the cash flows was translated to the reporting currency at the exchange rate prevailing at the reporting date.

Based on the value-in-use calculation, the cash-generating unit's recoverable amount of R2.845 million was determined to be less than its carrying value of R3.899 million. Consequently, the carrying value of property, plant and equipment was partially impaired by R1.054 million at the reporting date.

Despite the conclusion to impair the property, plant and equipment partially, management has implemented a number of measures which are anticipated to improve expense management and increase turnover in the forthcoming financial year. The board is confident that the restaurant remains a sustainable business and intends continuing to trade the outlet for the foreseeable future.

5.3 Mohawk Spur in Wandsworth (England) – prior year

As a consequence of sustained trading losses incurred by the Mohawk Spur in Wandsworth (England), the group impaired the franchise rights intangible asset of R1.866 million attributable to the cash-generating unit in the prior year. Furthermore, in considering the ability of the restaurant in question to continue trading, the group accelerated the amortisation of the lease previously acquired by the group relating to the restaurant, resulting in a further charge of R1.612 million to profit before income tax in the prior year.

At 28 February 2015, the group ceased trading the outlet. The outlet contributed revenue of R8.544 million (2014: R14.587 million) for the year and incurred a loss before income tax of R0.925 million (2014: 2.291 million). As a consequence of ceasing to trade the outlet, R1.317 million of foreign exchange losses arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR) were reclassified to profit before income tax during the year.

5.4 Panarottis in Blacktown (Australia) – prior year

As a consequence of sustained historic trading losses, the carrying value of property, plant and equipment of the Panarottis outlet in Blacktown, amounting to R2.496 million at 30 June 2014, was impaired and written off to profit before income tax for the year to 30 June 2014.

6. BUSINESS COMBINATIONS

6.1. RocoMamas

With effect from 1 March 2015, the group acquired a 51% interest in RocoMamas Franchise Co (Pty) Ltd ("RocoMamas"), an entity owning the trademarks and related intellectual property of the RocoMamas brand. RocoMamas offers affordable, gourmet, hand-made "smash-style" burgers, ribs and wings in the casual dining market within a nostalgic American rock ambience, giving the group exposure to a market that its existing brands did not cater for directly. The company had five franchised outlets, based in Gauteng, at the date of acquisition.

The fair value of the net assets acquired at the acquisition date amounted to:	R'000
Intangible assets (trademarks and related intellectual property)	7 114
Cash and cash equivalents	618
Trade and other receivables (contractual and fair value)	288
Inventory	38
Deferred tax liability	(1 328)
Tax payable	(264)
Trade and other payables	(68)
Total fair value of net assets acquired	6 398
Attributable to non-controlling interest	(3 135)*
Group's share of net assets acquired	3 263
Goodwill	42 439
Total consideration	45 702
In cash	2 000
Contingent consideration	43 702

* The non-controlling interest is measured as the non-controlling interest's proportionate share in the recognised amounts of identifiable net assets.

The purchase consideration is determined as five times RocoMamas' profit before income tax of the third year following the date of acquisition. Following an initial payment of R2.0 million on the effective date, annual payments (or refunds as the case may be) are due on the first, second and third anniversaries of the acquisition date, calculated as five times the profit before income tax of the year immediately preceding the anniversary date, less any aggregate payments already made. The total purchase consideration over the three-year period is estimated at R70.764 million, the present value of which at the acquisition date amounted to R45.702 million. The maximum purchase consideration is unlimited. A financial liability measured at fair value of R43.702 million at the acquisition date (and R47.383 million at the reporting date) has been recognised in respect of the gross contingent consideration of R68.764 million. The change in fair value of the contingent consideration liability of R3.681 million has been charged to profit before income tax. In the event that the forecast profit increases by 5% or decreases by 5%, the gross contingent consideration will increase to R72.302 million or decrease to R65.226 million respectively.

The resulting goodwill of R42.439 million is attributable to the significant growth prospects of the brand (by expanding the chain nationally) that the group is anticipated to realise using its franchising expertise, infrastructure and extensive network of franchisees. None of the goodwill is deductible for tax purposes.

From the date of acquisition, the business contributed R2.175 million revenue, profit before tax of R1.386 million and profit after tax of R1.010 million, of which R0.495 million is attributable to non-controlling interests. Had the group acquired the entity at 1 July 2014, group revenue would have been R761.117 million, group profit before income tax R206.357 million and profit after income tax R136.326 million, of which R8.428 million would have been attributable to non-controlling interests. Transaction costs, comprising legal and due diligence costs, amounting to R0.233 million are included in profit before income tax for the year (included in Administration expenses).

The net cash outflow arising from the acquisition amounted to R1.382 million.

6.2. The Hussar Grill – prior year

During the prior year and with effect from 1 January 2014, the group acquired the franchise business of The Hussar Grill as well as three restaurants trading as The Hussar Grill in Rondebosch, Green Point and Camps Bay (all in the Western Cape). The acquisition gives the group exposure to an upmarket specialist steakhouse chain. The aggregate purchase consideration of R35.380 million was settled in cash on the effective date. Transaction costs in the amount of R1.620 million relating to financial and legal due diligence, legal and consulting services are included in profit before income tax (in Administration expenses) for the prior year to 30 June 2014.

7. ACQUISITION OF NON-CONTROLLING INTEREST WITHOUT A CHANGE IN CONTROL

7.1. Panarottis Penrith (Australia)

With effect from 1 August 2014, the group acquired the remaining 50% interest in Panpen Pty Ltd ("Panpen"), an Australian company in which the group had an existing 50% interest and which operates the Panarottis outlet in Penrith (Australia). Despite not owning a majority interest in Panpen prior to this transaction, the group effectively controlled Panpen and the entity was consequently consolidated.

The purchase consideration of AU\$200 000 (the equivalent of R1.992 million as at the effective date) was settled in cash on the effective date. As part of the transaction, Panpen was required to settle the outstanding shareholder's loan with the non-controlling shareholder in the amount of AU\$158 342 (the equivalent of R1.576 million as at the effective date), which amount was settled in cash on the effective date. The net liabilities of Panpen at 1 August 2014 included in the consolidated financial statements of the group amounted to R0.217 million, of which R0.108 million was attributable to non-controlling interests. The purchase consideration has been debited directly to retained earnings and the non-controlling interest's share in the net liabilities of the subsidiary has similarly been reallocated within equity to retained earnings.

8. DISPOSALS OF SUBSIDIARIES

8.1. Panarottis Penrith (Australia)

With effect from 31 March 2015, the group disposed of its 100% interest in Panpen for AU\$880 000, the equivalent of R8.188 million at the date of disposal.

The carrying value of the net assets disposed of amounted to:	R'000
Goodwill	2 990
Property plant and equipment	2 439
Inventory	169
Trade and other receivables	146
Cash and cash equivalents	155
Trade and other payables	(980)
Total carrying value of net assets disposed of	4 919
Profit on disposal of subsidiary	3 269
Total proceeds	8 188
In cash	–
Loan account	8 188

In addition to the profit on disposal of the subsidiary, foreign exchange gains of R0.179 million arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR), were reclassified from other comprehensive income to profit before income tax, resulting in a net profit before income tax on disposal of R3.448 million.

The sale consideration is to be settled in 60 equal monthly instalments commencing on 1 October 2015, with the receivable being subject to interest at the Reserve Bank of Australia's cash rate plus 1.5%, which is considered by the board to be terms commensurate with similar transactions of this nature (refer note 13.3). Consequently the net cash outflow on disposal amounts to R0.155 million.

The business contributed revenue for the period prior to disposal of R17.875 million (2014: R21.581 million) and a profit before and after income tax of 1.052 million (excluding the profit on disposal) (2014: R0.724 million), of which R0.095 million (2014: R0.362 million) is attributable to non-controlling interests.

8.2 Panarottis Blacktown (Australia)

With effect from 15 November 2014, the group disposed of its 92.67% interest in Panawest Pty Ltd, the Australian subsidiary operating the Panarottis outlet in Blacktown, for AU\$1.

The carrying value of the net liabilities disposed of amounted to:	R'000
Property, plant and equipment	2 000
Inventory	128
Trade and other receivables	121
Tax receivable	141
Cash and cash equivalents	206
Trade and other payables	(682)
Loan owing to non-controlling shareholder	(3 911)
Total carrying value of net liabilities disposed of	(1 997)
Attributable to non-controlling interest	146
Group's share of net liabilities disposed of	(1 851)
Profit on disposal of subsidiary	1 851
Total proceeds	–

In addition to the profit on disposal of the subsidiary, foreign exchange losses of R0.345 million arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR), were reclassified from other comprehensive income to profit before income tax, resulting in a net profit before income tax on disposal of R1.506 million. As part of the transaction, the former subsidiary will continue to repay the previous shareholder's loan with the group of AU\$400 000 (the equivalent of R3.911 million on the date of the transaction), in equal instalments over 35 months to October 2017. Consequently the net cash outflow on disposal amounts to R0.206 million.

The business contributed revenue for the period of R5.493 million (2014: R14.986 million) and a loss before income tax of R0.067 million (excluding the profit on disposal) (2014: R3.732 million (which included an impairment loss of R2.496 million)), of which profit of R0.263 million (2014: loss of R0.342 million) was attributable to non-controlling interests.

8.3 Silver Spur Penrith (Australia)

With effect from 31 March 2015, the group disposed of the business of the Silver Spur in Penrith as a going concern for AU\$320 000, the equivalent of R2.977 million at the date of disposal.

The carrying value of the net assets disposed of amounted to:	R'000
Goodwill	7 060
Property, plant and equipment	2 787
Inventory	309
Trade and other receivables	91
Cash and cash equivalents	292
Trade and other payables	(3 017)
Total carrying value of net assets disposed of	7 522
Loss on disposal of subsidiary	(4 545)
Total proceeds	2 977
In cash	–
Loan account	2 977

In addition to the loss on disposal of the operation, foreign exchange losses of R0.129 million arising on the translation of the foreign operation previously recognised in other comprehensive income (FCTR), were reclassified from other comprehensive income to profit before income tax, resulting in a net loss before income tax on disposal of R4.674 million.

The sale consideration is to be settled in 60 equal monthly instalments commencing on 1 October 2015, with the receivable being subject to interest at the Reserve Bank of Australia's cash rate plus 1.5%, which is considered by the board to be terms commensurate with similar transactions of this nature (refer note 13.3). Consequently the net cash outflow on disposal amounts to R0.292 million.

The business contributed revenue for the period prior to disposal of R25.951 million (2014: R33.407 million) and a profit before and after income tax of 0.894 million (excluding the profit on disposal) (2014: loss R0.215 million).

8.4 Panarottis Tuggerah (Australia) – prior year

During the prior year and with effect from 1 January 2014, a wholly-owned subsidiary of the group which was the 80% partner of the Panarottis Tuggerah partnership agreed with the remaining 20% partner to dissolve the partnership in question. The partnership previously operated the Panarottis restaurant in Tuggerah (Australia). The transaction resulted in a profit before and after income tax on disposal of the partnership interest in the amount of R2.154 million recognised in the prior year. The partnership contributed revenue of R6.050 million and earned a profit before and after income tax of R0.061 million for the period to 31 December 2013 (the date of the disposal), of which a loss of R0.007 million was allocated to non-controlling interests.

9. EQUITY-ACCOUNTED INVESTEE

9.1 Braviz Fine Foods

During the prior year, and with effect from 18 March 2014, the group acquired a 30% interest in Braviz Fine Foods (Pty) Ltd. The entity is a start-up operation establishing a rib processing plant in Johannesburg, which commenced formal production in January 2015. As the group is able to exercise significant influence over the entity, but not control, it equity accounts the investment. The initial purchase consideration amounted to R0.4 million (comprising ordinary shares of R300 and initial transaction costs of R0.4 million). The group simultaneously advanced a loan in the amount of R36.250 million to the entity. The loan bears interest at the prevailing prime overdraft rate of interest and has no formal repayment terms (although any repayment of shareholder loans is to be made on a *pro rata* basis between the respective shareholders) and is consequently considered part of the net investment in the equity-accounted investee.

The group's share of equity-accounted losses after income tax for the year amounts to R1.633 million (2014: R0.379 million) and arose primarily from finance costs incurred by the entity on shareholder funding for the respective periods. The loss of R0.379 million in the prior year reduced the carrying value of the equity investment in the associate. As the cumulative losses from the investee during the current year exceeded the carrying value of the equity investment in the investee, of the loss of R1.633 million for the year, R0.021 million reduced the value of the equity investment in the investee (to nil) and the balance of the loss of R1.612 million has reduced the carrying value of the loan receivable from the investee referred to above.

10. OTHER NON-CASH TRANSACTION

10.1 Dissolution of Larkspur Five Limited

Larkspur Five Limited was a subsidiary in which the group owned a 70.6% equity interest and which previously operated the Golden Gate Spur in Gateshead (England). The restaurant in question ceased trading in October 2013. On 16 June 2015, the company was dissolved. The group had previously recognised a liability in respect of a shareholder's loan to the non-controlling shareholder. On dissolution of the company, the liability, amounting to R5.173 million at 15 June 2015, was released to profit before income tax. In addition, foreign exchange losses amounting to R0.603 million arising from the translation of the foreign operation previously recognised in other comprehensive income (FCTR) were reclassified to profit before income tax during the year. The winding up of the company resulted in a net profit attributable to non-controlling interests of R5.599 million.

11. PRIOR YEAR CLOSURE OF CAPTAIN DOREGOS DISTRIBUTION CENTRE IN BLOEMFONTEIN

During the prior year, in November 2013, the group closed its Captain DoRegos warehouse and distribution centre in Bloemfontein. The distribution operations were absorbed into the group's existing outsourced logistics network. One-off costs associated with the closure of the warehouse amounted to R1.326 million for the year to 30 June 2014 and were included in profit before income tax.

12. PRIOR YEAR INTERNATIONAL GROUP RESTRUCTURE

During the prior year, between 31 March 2014 and 30 June 2014, the group restructured certain of its international subsidiaries in order to ensure the continued validity of franchise agreements concluded between the group and its international franchisees. The restructure resulted in certain foreign subsidiaries commencing deregistration procedures or becoming dormant which resulted in foreign exchange gains on translation of these foreign operations previously recognised in equity (FCTR) through other comprehensive income being reclassified from other comprehensive income to profit before income tax in the prior year in the amount of R3.386 million. Legal, consulting and other advisory costs of R2.169 million relating to the restructure were included in profit before income tax for the prior year.

13. FINANCIAL INSTRUMENTS

13.1 Derivative financial assets

The hedge forward purchase derivative financial assets/(liabilities) (disclosed as derivative financial assets/liabilities on the face of the statement of financial position) utilised by the group to economically hedge the impact of the share appreciation rights granted in terms of its long-term share-linked employee retention scheme are measured at fair value at each reporting date (refer note 4). The fair values of the contracts are determined by an independent external professional financial instruments specialist using a Black-Scholes (risk neutral pricing) option pricing model in a manner that is consistent with prior reporting periods. The financial instruments in question are designated as level 2 financial instruments in terms of the fair value hierarchy specified in *IFRS13 – Fair Value Measurement*, as the inputs into the valuation model are derived from observable inputs for the assets/liabilities in question, but are not quoted prices in active markets for identical assets/liabilities.

13.2 Investment in preference shares

The investment in preference shares relating to the broad-based black economic empowerment transaction detailed in note 3 of R72.328 million, included in loans receivable in the statement of financial position, is treated as a financial asset carried at amortised cost but was initially recognised at its fair value at the subscription date plus the value of transaction costs of R0.285 million. The carrying value of the investment at amortised cost at the reporting date of R76.695 million is considered by the directors to approximate its fair value. In determining the fair values of the investment at initial recognition and at the reporting date, the directors considered the dividend/interest rates implicit in similar funding arrangements granted on similar terms and conditions between unrelated market participants. The directors determined that the dividend/interest rate applicable to the investment is commensurate with similar external funding instruments between unrelated market participants and the nominal value of the investment therefore approximated its fair value at initial recognition and at the reporting date. The financial asset is designated as a level 2 financial instrument in terms of the fair value hierarchy as the inputs into the valuation model are derived from observable inputs for the asset in question, but are not quoted prices in active markets for identical assets.

13.3 Receivables arising from disposals of subsidiaries

The aggregate receivable, relating to the disposal of Panpen (refer note 8.1) and the net assets of the Silver Spur in Penrith (refer note 8.3), of AU\$1.2 million as well as the receivable arising from the disposal of Panawest Pty Ltd (refer note 8.2) of AU\$0.4 million are treated as financial assets carried at amortised cost but were initially recognised at their fair values at the respective disposal dates. The carrying values of the receivables at amortised cost at the reporting date of R11.396 million (AU\$1.211 million) and R3.051 million (AU\$0.324 million) respectively, are considered by the directors to approximate their fair values. In determining the fair values of the receivables at initial recognition and at the reporting date, the directors considered the interest rates

implicit in similar funding arrangements granted on similar terms and conditions between unrelated market participants. The directors determined that the interest rates applicable to the receivables are commensurate with similar receivables between unrelated market participants and the nominal values of the receivables therefore approximated their fair values at initial recognition and at the reporting date. The financial assets are designated as level 2 financial instruments in terms of the fair value hierarchy as the inputs into the valuation model are derived from observable inputs for the assets in question, but are not quoted prices in active markets for identical assets.

13.4 Contingent consideration arising from RocoMamas acquisition

The liability for the contingent consideration referred to in note 6.1 (as disclosed on the face of the statement of financial position) was initially recognised at fair value and is subsequently recognised at fair value at each reporting date. The liability is designated as a level 3 financial instrument in terms of the fair value hierarchy as inputs into the valuation model are not based on observable market data. The fair value is determined based on the expected aggregate purchase consideration payments, discounted to present value using a risk-adjusted discount rate of 25.27%, being the weighted average cost of capital. The expected purchase consideration payments were determined by considering various possible scenarios, and the probability of each scenario. The significant unobservable inputs are the forecast profit before income tax and the risk-adjusted discount rate. The fair value adjustment included in profit before income tax for the year is a charge of R3.681 million, and relates largely to the adjustment for the time value of money from the initial acquisition date to the reporting date. The estimated fair values of the contingent consideration liability at initial recognition and at the reporting date, would change if the forecast profit before income tax or the risk-adjusted discount rate were to change as follows:

- if the projected profit before income tax increased by 5% or decreased by 5%,
 - the fair value of the liability at initial recognition would increase by R2.265 million or decrease by R2.265 million respectively;
 - the fair value of the liability at the reporting date would increase by R2.456 million or decrease by R2.456 million respectively; and
 - the charge to profit before income tax for the year would increase by R0.191 million or decrease by R0.191 million respectively; and
- if the discount rate increased by 2% or decreased by 2%:
 - the fair value of the liability at initial recognition would decrease by R1.321 million or increase by R1.392 million respectively;
 - the fair value of the liability at the reporting date would decrease by R1.150 million or increase by R1.208 million respectively; and
 - the charge to profit before income tax for the year would increase by R0.171 million or decrease by R0.183 million respectively.

14. LITIGATION AND CONTINGENT LIABILITIES

14.1 Zambia litigation

As reported in the prior year, in 2012 Steak Ranches Limited (“SRL”) instituted action against a wholly-owned subsidiary of the group, Steak Ranches International BV (“SRIBV”), a company incorporated and domiciled in The Netherlands, for allegedly repudiating a franchise agreement previously concluded between the parties. SRL is an unrelated entity incorporated and domiciled in Zambia. SRIBV previously concluded a franchise agreement with SRL for a franchised outlet in Zambia, but cancelled that agreement after SRL breached the terms of the agreement.

SRL is claiming for special damages in the amount of US\$648 152, pecuniary damages in the amount of US\$4 236 041 and an unquantified amount of general damages arising out of the alleged repudiation, together with interest and costs.

SRIBV is defending the action, denying the repudiation of the franchise agreement. SRIBV avers that it validly cancelled the agreement as SRL breached the terms thereof. The board of SRIBV is confident that it will be able to defend the claim successfully. A court date has yet to be determined.

14.2 International tax query

As reported previously, the South African Revenue Services (“SARS”) had previously issued assessments to wholly-owned subsidiary, Spur Group (Pty) Ltd, for additional income from controlled foreign companies of the group for the 2009, 2010 and 2011 years of assessment. Following the objection process during the prior year, reduced assessments were issued amounting in aggregate to R1.993 million (comprising R1.561 million in tax and R0.432 million in interest) which were settled in cash in the prior year. The board of the company in question appealed SARS’ decision to partially disallow the objection and alternate dispute resolution proceedings were initiated in November 2014 with SARS. The company awaits the final determination of the alternate dispute resolution process from SARS. The board continues to be of the view that it is able to defend its position. Consequently, a liability has not been raised in respect of the assessments issued, or the possible liability arising from the same disputed issue for the 2012 to 2015 years of assessment.

14.3 Tax on 2004 share incentive scheme

On 9 December 2014, following an audit of wholly-owned subsidiary, Spur Group (Pty) Ltd, SARS issued additional assessments to that company in respect of the 2010, 2011 and 2012 years of assessment totalling R6.589 million (comprising R5.098 million in tax and R1.491 million in interest). The additional assessments were issued following the disallowance of a deduction claimed in respect of the 2004 share incentive scheme. The assessments were settled in cash on 30 January 2015. The board of the company in question objected to the additional assessments on 19 March 2015 but the objection was disallowed by SARS on 11 June 2015. The board appealed the disallowance of the objection on 14 July 2015, requesting that the matter be referred to alternate dispute resolution proceedings. On 28 July 2015, SARS issued additional assessments regarding the same matter for the 2005 to 2009 years of assessment amounting to R15.445 million comprising R8.898 million in additional income tax and R6.547 million in interest. The board objected to these assessments on 13 August 2015. The board, in consultation with its tax advisors, remains confident that it will be able to prove that SARS has erred in disallowing the deduction and consequently, no liability has been raised in respect of the assessments issued to date.

15. SUBSEQUENT EVENTS

Subsequent to the reporting date, but prior to the date of issue of this report, the following significant transactions occurred:

15.1 Cash dividend

The board of directors of the company, on 9 September 2015, declared a final gross cash dividend for the year ended 30 June 2015 of R75.9 million, which equates to 70.0 cents per share for each of the 108 480 926 shares in issue, subject to the applicable tax levied in terms of the Income Tax Act (Act No. 58 of 1962, as amended) (“dividend withholding tax”) of 15%.

The dividend has been declared from income reserves. The net dividend is 59.5 cents per share for shareholders liable to pay dividend withholding tax.

The dividend was paid on 5 October 2015.

15.2 Disposal of Silver Lake Spur (England)

On 15 July 2015, the group sold the lease and certain assets of Larkspur Two Limited, a wholly-owned UK subsidiary operating the Silver Lake Spur in Lakeside, for £412 500 (the equivalent of R7.946 million at the transaction date) in cash. At 30 June 2015, the carrying value of the property, plant and equipment in the statement of financial position amounted to R4.405 million and goodwill of R0.445 million was attributable to the cash-generating unit. The outlet earned revenue of R21.893 million for the year and incurred a loss before income tax of R1.739 million. The final profit/loss arising from the transaction has yet to be determined.

15.3 Disposal of Apache Spur (Scotland)

Subsequent to the reporting date, on 22 September 2015, the group surrendered the lease and certain assets of Larkspur Three Limited, a UK subsidiary in which the group holds an 80% equity interest, operating the Apache Spur in Aberdeen, in exchange for £450 000 in cash. At 30 June 2015, the carrying value of the property, plant and equipment in the statement of financial position amounted to R6.235 million. The outlet earned revenue of R19.739 million for the year and incurred a loss before income tax of R1.446 million. The final profit/loss arising from the transaction has yet to be determined.

16. CAPITAL COMMITMENTS

16.1 Head office building

On 5 September 2014, the group acquired land adjacent to the group's existing corporate head office in Century City, Cape Town with a view to increase office space necessitated by the organic and acquisitive growth of the group in the recent past. The cost of the land amounted to R8.219 million and was incurred during the year. In terms of the sale agreement, the group was obliged to enter into a development agreement to erect an office building spanning at least 1 255m². Construction of the building commenced during the year: the total value of the construction contract is R39.0 million, of which an amount of R5.077 million was incurred to the reporting date. It is anticipated that construction of the building will be completed within 12 months of the reporting date.

16.2 Spur RBW in the UK

The board has approved a further investment of £750 000 for the roll out of a further three company-owned Spur RBW restaurants in the UK. There is no obligation on the part of the group to proceed with the investment, and any decision in this regard will depend on the success of the first pilot restaurant in Corby, opened in June 2015.

16.3 Local company-owned outlets

The board has approved an investment of R25.0 million in the construction of company-owned The Hussar Grill restaurants in order to establish the brand in Gauteng, with the first such outlet completed in September 2015. The board has furthermore approved an additional investment of R6.5 million for the relocation of the company-owned The Hussar Grill in Green Point (Cape Town) and the establishment of a company-owned RocoMamas outlet in the existing Green Point site, which is anticipated to commence in October 2015.

17. NEW APPOINTMENT TO THE BOARD

As communicated to shareholders via SENS on 2 February 2015, in accordance with the B-BBEE transaction detailed in note 3, Alan Keet, in his capacity as a representative of GPI, was appointed to the board as a non-executive director, with effect from 2 February 2015.

18. PREPARATION OF FINANCIAL STATEMENTS

These abridged consolidated financial statements have been prepared under the supervision of the Chief Financial Officer, Ronel van Dijk CA(SA).

COMMENTARY ON RESULTS

Restaurant sales	+12.1%
Comparable headline earnings per share	+14.3%
Comparable profit before income tax	+10.8%
Dividend per share	+9.1% to 132 cents per share

TRADING PERFORMANCE

Spur Corporation delivered another competitive performance in the year to June 2015 and continued to gain market share as worldwide restaurant sales increased by 12.1% to R6.2 billion.

Restaurant sales in South Africa proved resilient and grew by 11.3% in an environment of continued slowdown in middle-income spending and consumer confidence sinking to its lowest levels in over a decade.

Trading conditions were compounded by load-shedding which reduced local restaurant turnover by an estimated 3%. Generators have been installed in 283 of the group's local restaurants, including 74% of Spur outlets, at a cost to franchisees of approximately R106 million. Spend in outlets in shopping malls is nevertheless negatively impacted when other stores in the malls are forced to close during power outages.

Spur Steak Ranches increased local restaurant sales by 9.0% as promotions proved successful in attracting value conscious customers. These include the Unreal Breakfast, with breakfasts now accounting for almost 20% of Spur's meals sold, and weekday evening promotions such as the Monday night Buy One Get One Free burger offer.

In this environment, the Spur Family Card continues to attract customers and promote loyalty, gaining over 15 000 new members each month. The loyalty programme now has 1.9 million active members who account for 45% of Spur's restaurant sales.

Panarottis Pizza Pasta continued its strong growth trend of recent years and increased local restaurant sales by 25.4%. Growth was driven mainly by opening 11 new stores, revamping existing stores, upgrading kids' play areas as well as marketing campaigns to promote the brand's authentic Italian offering.

John Dory's Fish Grill Sushi local restaurant sales grew by a pleasing 12.0%, benefiting from the addition of six new outlets.

Captain DoRegos local restaurant sales, representing 2.3% of group restaurant turnover, declined by 13.2% as consumer spending among the lower-income market remains constrained. During the year, 16 non-performing Captain DoRegos outlets were closed (2014: 15 closures), while 12 new outlets were opened in better trading sites.

The Hussar Grill performed well in its first full financial year in the group as its higher-income target customer proved more resilient to the current economic challenges. Two new franchised outlets were opened and management plans to leverage the brand equity to expand nationally in the year ahead.

In March 2015, the group bought a 51% stake in RocoMamas, a trendy, fast-casual dining restaurant brand offering hand-made "smash-style" burgers, ribs and wings. At the time of the acquisition, the chain had five franchised restaurants in Gauteng and a further four were opened before year-end. The brand has strong appeal in the 18 to 35 age group and has exciting growth prospects nationally.

International restaurant sales increased by 18.6%. Applying a constant exchange rate, sales grew by 16.5%. Three additional Spur outlets were opened in Namibia, bringing the number of outlets in the country to 11. In addition, a Spur and a Panarottis outlet were opened in Tanzania and the first international John Dory's was opened in Zambia. A further Spur franchised outlet opened in Perth, Australia.

In the United Kingdom (UK), the first Spur RBW (Ribs Burgers Wings) company-owned restaurant was opened in Corby (near Northampton) in June 2015.

Following the opening of 15 Spur, 12 Panarottis, seven John Dory's, 12 Captain DoRegos, two The Hussar Grill and four RocoMamas outlets during the past year, the group's restaurant base increased to 522.

In the past year franchisees invested over R310 million in opening, relocating or revamping restaurants, highlighting their confidence in the brands.

Restaurant footprint at 30 June 2015

Franchise brand	South Africa	International	Total
Spur Steak Ranches	277	43	320
Panarottis Pizza Pasta	75	12	87
John Dory's Fish Grill Sushi	38	1	39
Captain DoRegos	57	2	59
The Hussar Grill	8	–	8
RocoMamas	9	–	9
Total	464	58	522

FINANCIAL PERFORMANCE

Group revenue increased by 3.7% to R760.1 million, with revenue generated in South Africa growing by 11.7%. Franchise revenue in Spur increased by 9.5%, Panarottis by 31.7% and John Dory's by 13.7%, with improved margins in each of these franchise divisions.

Franchise revenue for Captain DoRegos declined by 25.8%. As a result of increased pressure on the disposable income of the brand's target market, and the resultant underperformance of the division, the directors have impaired the trademark by R13.9 million. Management has implemented measures to reverse the fortunes of Captain DoRegos and to focus on profitability and franchisee sustainability.

The Hussar Grill generated R33.2 million in franchise and retail revenue in its first full year in the group.

Revenue in the manufacturing and distribution division was 1.5% lower owing to the impact of the closure of the Captain DoRegos warehouse and distribution centre in the previous financial year. Comparable revenue increased by 13.0%.

International revenue, comprising franchise revenue and company-owned restaurant turnover, declined 11.5% to R223.1 million, partially due to the closure of a retail outlet in the UK and the disposal of all three retail outlets in Australia during the year.

The performance in the UK and Ireland was disappointing with revenue 6.3% lower than the previous year. Losses grew further owing mainly to high levels of competition in the quick-service restaurant market and escalating labour, occupancy and food costs. The loss in the current year includes an impairment of R1.1 million relating to the Spur outlet at the O₂ Dome in London. The Spur in Wandsworth, which was previously impaired, closed during the year. All eight restaurants in the UK and Ireland are company-owned.

The group has shifted its strategy in the UK to focus on a smaller format Spur brand, known as RBW (Ribs Burgers Wings). The first Spur RBW company-owned outlet opened shortly before year-end and initial customer response has been encouraging. The RBW concept requires a lower investment by franchisees than a regular Spur restaurant and is considered a more sustainable formula in the current climate.

The Australian operations experienced a more positive trading period and returned to profitability. The group sold its remaining interests in two Panarottis and one Spur outlet to franchisees and the Australian business is now a fully franchised operation. A further franchised Spur restaurant was opened in Perth in the first half of the year.

The franchise operation in Africa, including Mauritius, delivered strong growth in revenue and profitability, boosted by the opening of six new outlets during the year. The group's footprint in the region expanded to 41 outlets.

The group's performance was impacted by a share-based payment expense of R33.0 million relating to the broad-based black economic empowerment transaction with Grand Parade Investments Ltd effected on 30 October 2014. The transaction resulted in the issue of 10.848 million new ordinary shares which increased the weighted average number of shares in issue from 85.633 million in the prior year to 92.636 million shares.

Profit before income tax increased by 1.8% to R205.4 million. This includes the charge relating to the GPI transaction of R33.0 million, a net charge of R4.9 million (2014: R10.2 million) related to the long-term share-linked employee retention scheme, R15.0 million (2014: R6.0 million) impairments and related losses, a foreign exchange gain of R1.9 million (2014: loss of R0.8 million) and other one-off and exceptional items in the current and previous comparable periods.

Comparable profit before tax, excluding exceptional and one-off items (including those listed above) and the impact of the GPI transaction, increased by 10.8%.

Headline earnings increased by 4.7% to R141.5 million with diluted headline earnings per share 3.2% lower at 152.8 cents per share. Excluding the impact of the GPI transaction and other exceptional and one-off items listed above, comparable headline earnings per share increased by 14.3%.

The total dividend increased by 9.1% to 132 cents per share. This equates to a dividend payment of R143.2 million, an increase of 21.2% on the prior year.

PROSPECTS

The economic and trading headwinds facing the food and restaurant sector are not expected to abate in the year ahead, including the impact of the depreciating currency, continued load-shedding and rising operating costs. Similarly, consumers are likely to remain under financial pressure.

In the year ahead, the group plans to open 38 restaurants across its brands in South Africa. This includes doubling the existing restaurant base of the newly acquired RocoMamas chain.

International expansion will focus mainly on Africa where 12 new franchised outlets will be opened. These include additional restaurants in Nigeria, Zambia, Kenya and Namibia, and the first outlets in Ethiopia. The first international outlets for RocoMamas and The Hussar Grill will be opened in Namibia and Zambia respectively.

In Australia, one Spur and one Panarottis restaurant will be opened in Perth. In the UK, the group plans to expand the RBW pilot project to a further three sites and suitable locations are currently being evaluated.

ANNEXURE 2: CURRICULA VITAE OF DIRECTORS UP FOR RE-ELECTION

Mntungwa Morojele (Age 56)

Independent non-executive director

5 years' service

CA (Lesotho); Higher National Diploma in Business Studies – Farnborough College of Technology, UK; Bachelors of Business Administration – University of Charleston, USA; M.Acc – Georgetown University, USA; MBA – University of Cape Town

Mntungwa has established and managed various companies including Briske Performance Solutions and Motebong Tourism Investment Holdings (Pty) Ltd. He has served on the boards of Gray Security Services Ltd and the UCS Group Ltd. He was appointed to the Spur Corporation board in 2010 and appointed as lead independent director on 1 March 2011. He is also a member of the group's audit, remuneration and transformation committees and is chairman of the nominations committee.

Dineo Molefe (Age 38)

Independent non-executive director

2 years' service

B.Compt (Hons) – Unisa; Masters' in International Accounting – University of Johannesburg; CA(SA); Advanced Management Program – Wharton Business School, University of Pennsylvania

Dineo held various audit and finance positions at the Industrial Development Corporation, Eskom Holdings Ltd and SizweNtsaluba VSP. She previously served as the group financial director of Thebe Investment Corporation (including as director of several of that company's subsidiaries, associates and investee companies) and is currently managing executive for financial planning and analysis at Vodacom. Dineo was appointed to the board in September 2013 and is a member of the audit committee.

Alan Keet (Age 47)

Non-executive director

Appointed 2 February 2015

B.Compt (Hons) – Unisa; CA(SA)

Alan is the chief executive officer of Grand Parade Investments, a position which he has held since April 2012. He previously served as the chief executive officer of Nolands Cape Town and Nolands South Africa, where he completed his articles and subsequently became a partner in 1998.

ANNEXURE 3: DIRECTORS NOMINATED FOR ELECTION AS MEMBERS OF THE AUDIT COMMITTEE

Dean Hyde as chairman (existing member) – independent non-executive director – 21 years' service

B.Com (Legal) – University of Witwatersrand; Canadian Chartered Accountants' Board Examination

Dean joined Spur Corporation as financial manager and was the financial director for five years. He resigned in 2004 and was subsequently appointed as a non-executive director. Dean is currently the chief financial officer of Lombard Insurance Ltd. Dean chairs the audit committee.

Mtungwa Morojele (existing member) – independent non-executive director – 5 years' service

CA (Lesotho); Higher National Diploma in Business Studies – Farnborough College of Technology, UK; Bachelors of Business Administration – University of Charleston, USA; M.Acc – Georgetown University, USA; MBA – University of Cape Town

Mtungwa has established and managed various companies including Briske Performance Solutions and Motebong Tourism Investment Holdings (Pty) Ltd. He has served on the boards of Gray Security Services Ltd and the UCS Group Ltd. He was appointed to the Spur Corporation board in 2010 and appointed as lead independent director on 1 March 2011. He is also a member of the group's audit, remuneration and transformation committees and is chairman of the nominations committee.

Muzi Kuzwayo (existing member) – independent non-executive director – 7 years' service

B.Sc (Biochemistry and Microbiology) – Rhodes University; Executive MBA – University of Cape Town

Muzi is a visiting professor at the UCT Graduate School of Business. He is the founding chief executive officer of Ignitive, a marketing and advertising consulting company. Muzi is an author and commentator on advertising and marketing. He was appointed to the board in 2008 and is a member of the group's audit, nominations and transformation committees, and chairs the remuneration committee.

Dineo Molefe (existing member) – independent non-executive director – 2 years' service

B.Compt (Hons) – Unisa; Masters' in International Accounting – University of Johannesburg; CA(SA); Advanced Management Program – Wharton Business School, University of Pennsylvania

Dineo held various audit and finance positions at the Industrial Development Corporation, Eskom Holdings Ltd and SizweNtsaluba VSP. She previously served as the group financial director of Thebe Investment Corporation (including as director of several of that company's subsidiaries, associates and investee companies) and is currently managing executive for financial planning and analysis at Vodacom. Dineo was appointed to the board in September 2013 and is a member of the audit committee.

ANNEXURE 4: SUMMARY OF REMUNERATION POLICY

REMUNERATION PHILOSOPHY

The group aims to remunerate all employees in such a way so as not only to attract and retain talented individuals, but also to motivate all employees to contribute continuously to the success of the group. In order to achieve this, the group targets remuneration at the upper quartile of benchmarked remuneration levels for each individual's area of expertise and responsibility and total remuneration packages are structured in such a way so as to ensure that the interests of employees and shareholders are aligned.

In addition, the group aims to strike a balance between guaranteed remuneration, short-term incentives and long-term incentives for executive and senior management. For these individuals, multiple metrics are used to determine performance criteria, which are aligned with the group's strategy and shareholder interests, including short and long-term profit growth and long-term share price appreciation.

Remuneration levels are influenced by a scarcity of skills and work performance. Given that performance-related incentives form a material part of remuneration packages, ongoing performance feedback is vital. Employees participate in annual performance and career development evaluations.

REMUNERATION STRUCTURES

Remuneration consists of three elements:

1. Basic cost to company package

The basic cost to company package consists of a basic salary, medical aid contribution, provident fund contribution and, in certain instances where employees regularly and routinely are required to travel for business purposes, a travel allowance. These packages are linked to individual performance, expertise and knowledge required in the position and competitive benchmarking undertaken from time to time.

2. Profit share scheme/Thirteenth cheque

Employees participate either in a discretionary thirteenth cheque scheme, or a profit share scheme, depending on their position and seniority:

- Thirteenth cheque scheme

The scheme operates by way of a discretionary, performance-related annual thirteenth cheque, which is paid to the participating individuals in the event that they achieve certain performance criteria and the group achieves the requisite financial performance parameters set by the board. Depending on the extent to which financial performance parameters are met, a full or partial thirteenth cheque may be declared. The thirteenth cheque is limited to a maximum of one month's cost to company.

- Profit share scheme

The profit share scheme is determined with reference to the dividends received by the Spur Management Share Trust ("the Trust") on the 6 688 698 Spur shares held by the Trust and is allocated to participating individuals based on growth in group profit and their division's contribution to group profit both relative to inflation, salary level and personal key performance indicators. The quantum of the bonus pool, being calculated with reference to the dividend on the Spur shares, is linked directly to group performance, as the dividend is a direct result of same.

At its meeting on 9 September 2015, the board, upon the recommendation of the remuneration committee, amended the scheme rules such that the financial performance measures referred to above will be calculated with reference to budget (as opposed to growth on the prior year relative to inflation). The board is of the view that these amendments will allow management to track and report the likelihood and value of possible incentive bonuses to the participants on a monthly basis, which will serve to motivate management to achieve the group's financial objectives more effectively.

3. Share-linked retention scheme

The executive directors and certain members of top management participate in a share-linked retention scheme in the form of a cash-settled share appreciation rights scheme. The scheme is a three-year rolling scheme, in terms of which a "baseline" of 1 500 000 share-linked rights become available for allocation each year. The rights are granted each year in the period following the publishing of year-end results up to 31 December of that same year.

The number of rights to be allocated may be reduced depending on the financial performance of the group relative to inflation, but may not be increased above 1 500 000 per tranche. The maximum number of rights that any participant may benefit from at any point in time is 1 500 000.

A total of 4 500 000 rights are currently in issue. The second tranche of 1 500 000 share appreciation rights (granted in December 2011) vested and was settled in cash in December 2014. The fifth tranche of 1 500 000 share appreciation rights was allocated at the same time.

King III recommends that vesting of share incentive awards should be conditional to achieving performance conditions and should be on a sliding scale. The current scheme does not comply with these recommendations in that performance conditions are applied at grant date (as opposed to upon vesting). The board has, upon the recommendation of the remuneration committee, agreed to replace the existing scheme with two new long-term share-linked schemes: an employee retention scheme and a share appreciation rights incentive scheme. These are outlined in the table below.

	Retention scheme	Share appreciation rights incentive scheme
Structure	Granting of free shares Equity-settled	Granting of share appreciation rights with benefits dependent on the increase in the value of the rights awarded Equity-settled
Period	Ownership, voting rights and dividends will vest with the beneficiaries after three years, but participants will be restricted from trading in the shares for a further two years Performance conditions will be applied at grant date only	Ownership, voting rights and dividends will vest with the beneficiaries after three years, but participants will be restricted from trading in the shares for a further two years Performance conditions will be applied at the vesting date
Available to	Executives Senior managers Junior managers	Executives Senior managers
Performance conditions	Personal key performance indicators	Return on equity and compounded annual growth in comparable headline earnings per share relative to inflation over the vesting period

The necessary resolutions to give effect to the proposed schemes will be tabled for approval by shareholders at the annual general meeting on 4 December 2015.

EXECUTIVE SERVICE CONTRACTS

All the executive directors have standard employment contracts in place and are restrained by agreement from any involvement in businesses associated with brands competing with the group's brands during the tenancy of their employment and for a period of two years following their termination (for whatever reason) of employment. No contracts provide for termination settlements, other than those required in terms of law.

NON-EXECUTIVE DIRECTORS' FEES

The board as a whole considers fees to non-executive directors for membership of the board and board committees. The board is of the opinion that such fees are market related and commensurate with the time and effort required by the directors in question to undertake their duties. Such remuneration is not linked to the performance of the group or its share performance.

ANNEXURE 5: NON-EXECUTIVE DIRECTORS' EMOLUMENTS

	Proposed 2016	2015
Member of board	R400 000 in total for each non-executive director	R375 000 in total for each non-executive director
Lead independent director		
Member of audit committee		
Chairman of audit committee		
Member of remuneration committee		
Chairman of remuneration committee		
Member of social, ethics and sustainability committee		
Chairman of social, ethics and sustainability committee		
Member of nominations committee		
Chairman of nominations committee		
Member of risk committee		
Member of transformation committee		

ANNEXURE 6: DIRECTORS' AND PRESCRIBED OFFICERS' INTERESTS IN THE SHARES OF THE COMPANY

Details of directors' interests in the ordinary shares are as follows:

	2015			2014		
	Direct beneficial	Indirect beneficial	Held by associates	Direct beneficial	Indirect beneficial	Held by associates
Allen Ambor	3 086 685	464 609	–	3 086 685	464 609	–
Ronel van Dijk	73 244	–	–	73 244	–	–
Keith Madders	779 372	332 650	–	–	1 112 022	–
Keith Getz	2 491	–	820	2 491	–	820
Total	3 941 792	797 259	820	3 162 420	1 576 631	820
% interest*	3.8	0.8	0.0	3.4	1.7	0.0

* These percentages are based on shares in issue less shares repurchased by a subsidiary company, Share Buy-back (Pty) Ltd.

The transfer of Keith Madders' shares resulting in the change from indirect beneficial to direct beneficial was executed on 17 December 2014.

There have been no changes in directors' interests in share capital from 30 June 2015 to the date of issue of this report.

ANNEXURE 7: SHAREHOLDER ANALYSIS

SHAREHOLDERS' INTEREST IN SHARES

Major shareholders

The following are shareholders (excluding directors) holding 3% or more of the company's issued share capital at 30 June 2015:

	Number of shares	%*
Allan Gray	12 732 611	12.4
Grand Parade Investments	10 848 093	10.5
Investec	10 033 051	9.7
Coronation Fund Managers	9 197 694	8.9
Fidelity	8 915 491	8.7
Spur Management Share Trust**	6 688 698	6.5
State Street Bank & Trust Co	3 894 317	3.8

* These percentages are based on shares in issue less shares repurchased by a subsidiary company, Share Buy-back (Pty) Ltd.

** This holding relates to shares utilised in the group's short-term profit share incentive scheme (refer Annexure 4).

Public/non-public shareholders

An analysis of public and non-public shareholders is presented below:

	Number of shareholders	Number of shares	%
<u>Non-public shareholders</u>			
Directors and associates	7	4 739 871	4.4
Subsidiary holding treasury shares	1	5 572 401	5.1
Spur Management Share Trust	1	6 688 698	6.2
Spur Foundation Trust	1	100 000	0.1
Major shareholders	2	23 580 704	21.7
<u>Public shareholders</u>	2 870	67 799 252	62.5
Total	2 882	108 480 926	100.0

ANNEXURE 7: SHAREHOLDER ANALYSIS continued

ANALYSIS OF SHAREHOLDING

An analysis of the spread of shareholding is presented below:

Shareholder spread	Number of shareholders	%	Number of Shares	%
1 – 10 000 shares	2 434	84.5	4 586 406	4.2
10 001 – 25 000 shares	202	7.0	3 331 123	3.1
25 001 – 50 000 shares	90	3.1	3 273 063	3.0
50 001 – 100 000 shares	62	2.1	4 449 170	4.1
100 001 – 500 000 shares	65	2.3	13 405 138	12.4
500 001 – 1 000 000 shares	8	0.3	5 833 404	5.4
1 000 001 shares and over	21	0.7	73 602 622	67.8
	2 882	100.0	108 480 926	100.0

Distribution of shareholders	Number of shareholders	%	Number of Shares	%
Banks and nominees	26	0.9	8 197 495	7.6
Endowment funds	24	0.8	772 376	0.7
Individuals	2 181	75.7	12 155 648	11.2
Insurance companies	21	0.7	2 847 034	2.6
Investment companies	8	0.3	158 832	0.1
Medical funds	11	0.4	797 757	0.7
Mutual funds	74	2.6	41 175 068	38.0
Own holdings	1	0.0	5 572 401	5.1
Pension and retirement funds	83	2.9	9 215 637	8.5
Spur Management Share Trust	1	0.0	6 688 698	6.2
Other corporate bodies	452	15.7	20 899 980	19.3
	2 882	100.0	108 480 926	100.0

ANNEXURE 8: SHARE CAPITAL

	Number of shares			
	2015 '000	2014 '000	2015 R'000	2014 R'000
Ordinary share capital				
Authorised				
Ordinary shares of 0.001 cents each	201 000	201 000	2	2
Issued and fully paid				
In issue at beginning of year	97 633	97 633	1	1
Issued for cash during the year	10 848	–		
Cumulative shares repurchased by subsidiary	(5 572)	(5 311)	–	–
Cumulative shares held by Spur Management Share Trust (consolidated structured entity)	(6 689)	(6 689)	–	–
Cumulative shares held by The Spur Foundation Trust (consolidated structured entity)	(100)	–	–	–
	96 120	85 633	1	1

The ordinary shares have equal rights to dividends declared by the company.

In terms of the company's Memorandum of Incorporation, the unissued shares of the company may be issued by the directors of the company only with the approval of the shareholders by way of an ordinary resolution passed at a general meeting.

The company does not have any unlisted shares.

Issue of ordinary shares relating to GPI B-BBEE share transaction

As detailed in the circular to shareholders of 4 September 2014, and approved by shareholders at a general meeting on 3 October 2014, the company concluded various agreements to issue 10 848 093 new ordinary shares indirectly to Grand Parade Investments Limited ("GPI"), a strategic black empowerment partner, and separately donate 500 000 of the company's shares (100 000 shares per annum over five years), held as treasury shares, to the Spur Foundation, a benevolent foundation that is a consolidated structured entity. Both transactions were executed on 30 October 2014. In terms of the agreements, GPI is restricted from trading the shares in question without the express permission of the company for a period of five years from the effective date of the transaction and is furthermore required to maintain its broad-based black economic empowerment credentials for the same period.

The shares were issued at a price of R27.16 per share, representing a 10% discount to the volume-weighted average trading price of the company's shares on the JSE for the 90 trading days prior to 30 July 2014, resulting in the aggregate proceeds from the issue of shares amounting to R294.657 million. The market price of the shares on 30 October 2014 was R30.20 per share, equating to an effective discount of R32.957 million in aggregate. This discount has been recognised as a share-based payment expense in accordance with IFRS2 – *Share-based Payments* and included in profit before income tax for the period, with a corresponding credit to equity (retained earnings).

The group partially funded GPI's share acquisition through a subscription of cumulative compulsorily redeemable five-year preference shares in an unconsolidated structured entity with a combined subscription value of R72.328 million (representing 24.5% of the total funding requirement for the transaction). GPI has funded 24.5% of the total funding requirement and an external funding provider has funded the balance of 51% of the total funding requirement.

ANNEXURE 8: SHARE CAPITAL continued

Shares repurchased by subsidiaries

During the year, a wholly-owned subsidiary of the company, Share Buy-back (Pty) Ltd, acquired 361 273 (2014: nil) Spur Corporation Ltd shares at an average cost of R31.52 per share, totalling R11.387 million. In addition, 100 000 shares were transferred to the Spur Foundation Trust. At the reporting date, the group owns 5 572 401 (2014: 5 311 128) Spur Corporation Ltd treasury shares, held by Share Buy-back (Pty) Ltd, at a total cost of R79.977 million (2014: R70.057 million).

The balance per the statement of financial position comprises the cost of the Spur Corporation Ltd shares that have been repurchased by Share Buy-back (Pty) Ltd, those held by the Spur Management Share Trust, a consolidated structured entity, for the purposes of the group's short-term profit share incentive scheme and those held by The Spur Foundation Trust, a consolidated structured entity. At the reporting date, the entities in question held 12 361 099 (2014: 11 999 826) of the company's shares in aggregate.

ANNEXURE 9: MATERIAL CHANGE STATEMENT

The directors report that there have been no material changes to the affairs, financial or trading position of the company and group since 30 June 2015 to the date of posting of this report, other than disclosed in this report.

ANNEXURE 10: GOING CONCERN

The board has performed a review of the group and company's ability to continue trading as a going concern in the foreseeable future and, based on this review, consider that the presentation of the financial statements on this basis is appropriate.

ANNEXURE 11: COMPANY INFORMATION

NON-EXECUTIVE DIRECTORS

Alan Keet – representative of 10% shareholder, Grand Parade Investments Ltd
Dean Hyde – independent non-executive director
Dineo Molefe – independent non-executive director
Keith Getz
Keith Madders MBE (British)
Mntungwa Morojele – independent non-executive director
Muzi Kuzwayo – independent non-executive director

EXECUTIVE DIRECTORS

Allen Ambor – Executive Chairman
Pierre van Tonder – Group Chief Executive Officer
Mark Farrelly – Group Chief Operating Officer
Ronel van Dijk – Group Chief Financial Officer

SPONSOR

Sasfin Capital (a division of Sasfin Bank Limited)

TRANSFER SECRETARIES

Computershare Investor Services (Pty) Ltd
70 Marshall Street, Johannesburg, 2001
PO Box 61051, Marshalltown, 2107
Tel: 011 370 5000
Fax: 011 688 7721
www.computershare.com

COMPANY SECRETARY

Nazrana Hawa

SPUR CORPORATION HEAD OFFICE AND REGISTERED ADDRESS

14 Edison Way, Century Gate Business Park, Century City, Cape Town, 7441

REGISTRATION NUMBER

1998/000828/06

www.spurcorporation.com



Spur Corporation Limited
(Incorporated in the Republic of South Africa)
(Registration number 1998/000828/06)
Share code: SUR ISIN: ZAE 000022653
("the Company")

FORM OF PROXY

To be completed by certificated shareholders and dematerialised shareholders with own name registration only. For use in respect of the annual general meeting to be held at 11:00 on 4 December 2015 at 14 Edison Way, Century Gate Business Park, Century City, Cape Town.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary Letter of Representation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

Forms of proxy must be completed and delivered/posted to the Company's transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: PO Box 61051, Marshalltown, 2107) to be received by no later than 11:00 on Thursday, 3 December 2015.

I/We _____
of (address) _____
telephone number _____ cell phone number _____
e-mail address _____

being a member of the Company and holding _____ ordinary shares, appoint
1. _____ or failing him
2. _____ or failing him

the chairman of the annual general meeting as my/our proxy to attend and speak and, on a poll, vote for me/us on my/our behalf at the annual general meeting of the Company held for the purpose of considering, and if deemed fit, passing with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions and/or abstain from voting in respect of the shares in the issued share capital of the Company registered in my/our name/s in accordance with the following instructions (see note 3):

Ordinary resolutions	For	Against	Abstain
Ordinary resolution number 1 – The re-appointment of directors			
1.1 Mntungwa Morojele (independent non-executive director)			
1.2 Dineo Molefe (independent non-executive director)			
1.3 Alan Keet (non-executive director)			
Ordinary resolution number 2 – The re-appointment of the independent auditor and the designated auditor			
Ordinary resolution number 3 – The appointment of the audit committee for the ensuing year			
3.1 Dean Hyde (chairman) (independent non-executive director)			
3.2 Dineo Molefe (independent non-executive director)			
3.3 Muzi Kuzwayo (independent non-executive director)			
3.4 Mntungwa Morojele (independent non-executive director)			
Ordinary resolution number 4 – Endorsement of remuneration policy			
Ordinary resolution number 5 – Adoption of Spur Group Forfeitable Share Plan			
Ordinary resolution number 6 – Adoption of Spur Group Share Appreciation Rights Scheme			
Special resolutions			
Special resolution number 1 – The authority to repurchase shares			
Special resolution number 2 – The authority to pay directors' remuneration			
Special resolution number 3 – The authority to provide financial assistance			

(Please indicate instructions to proxy in the space provided above by the insertion therein of the relevant number of votes exercisable).
A member entitled to attend and vote at the annual general meeting may appoint one or more proxies to attend, speak and vote in his stead.
A proxy so appointed need not be a member of the Company.

SIGNED THIS _____ DAY OF _____ 2015.

SIGNATURE _____

CAPACITY AND AUTHORISATION (see note 6)
Please read the notes on the reverse side of this form of proxy.

Notes

1. Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.
2. A deletion of any printed matter and the completion of any blank spaces need not be signed or initialled. Any alteration must be signed, not initialled.
3. A shareholder may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting "the chairman of the annual general meeting". The person whose name stands first on the form of proxy and who is present at the annual general meeting will be entitled to act as proxy to the exclusion of those whose names follow.
4. A shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that shareholder in the appropriate space provided. Failure to comply with the above will be deemed to authorise the proxy to vote or to abstain from voting at the annual general meeting as he deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or his proxy is not obliged to use all the votes exercisable by the shareholder or by his proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or his proxy.
5. Where there are joint holders of shares and if more than one of such joint holders is present or represented, then the person whose name appears first in the register in respect of such shares or his proxy, as the case may be, shall alone be entitled to vote in respect thereof.
6. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form, unless previously recorded by the transfer secretaries of the Company or waived by the chairman of the annual general meeting.
7. The completion and lodging of this form of proxy will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to so do.
8. The chairman of the annual general meeting may reject or, provided that he is satisfied as to the manner in which a member wishes to vote, accept any form of proxy which is completed other than in accordance with these instructions.
9. Proxies will only be valid for the purpose of the annual general meeting if received by the Company's transfer secretaries, Computershare Investor Services (Pty) Ltd, 70 Marshall Street, Johannesburg, 2001 (Postal Address: P O Box 61051, Marshalltown, 2107) by no later than 11:00 on Thursday, 3 December 2015.

Please note that in terms of section 58 of the Act:

- **the appointment of a proxy is revocable unless the proxy appointment expressly states otherwise. If the appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing, or making a later inconsistent appointment of a proxy; and delivering a copy of the revocation instrument to the proxy, and to the Company. The revocation will take effect on the later of (i) the date stated in the revocation instrument; or (ii) the date on which the revocation instrument was delivered to the proxy and the Company.**
- **a proxy may delegate his/her authority to act on a member's behalf to another person, subject to any restriction set out in this proxy form; and**
- **a proxy form must be delivered to the Company, or to the transfer secretary of the Company, namely Computershare Investor Services (Pty) Ltd, before a proxy exercises any of a member's rights as a shareholder at the general meeting.**