



GOLD REEF CASINO RESORTS LIMITED

Registration number: 1989/002108/06

ANNUAL REPORT 2003 ~ *Book 1*





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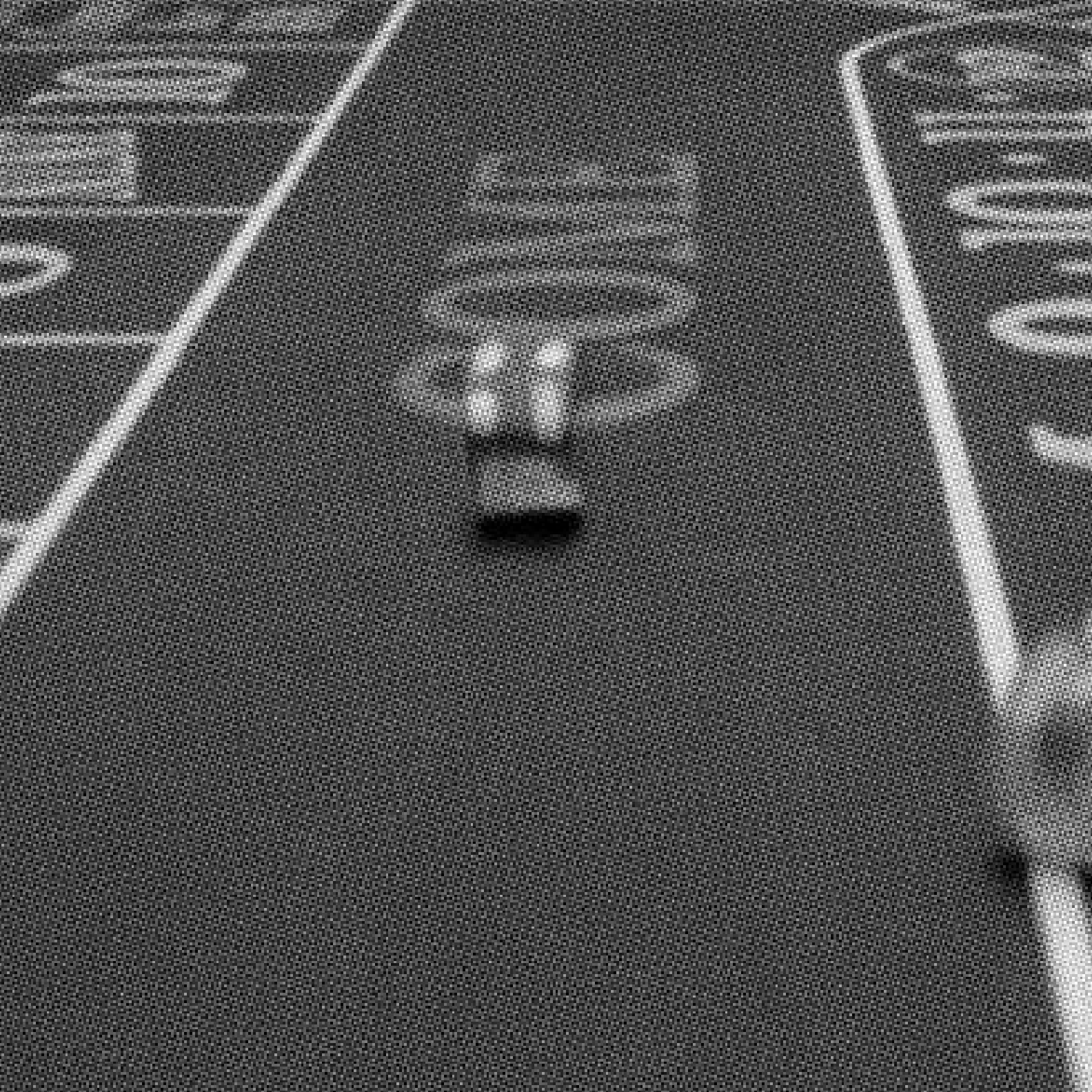
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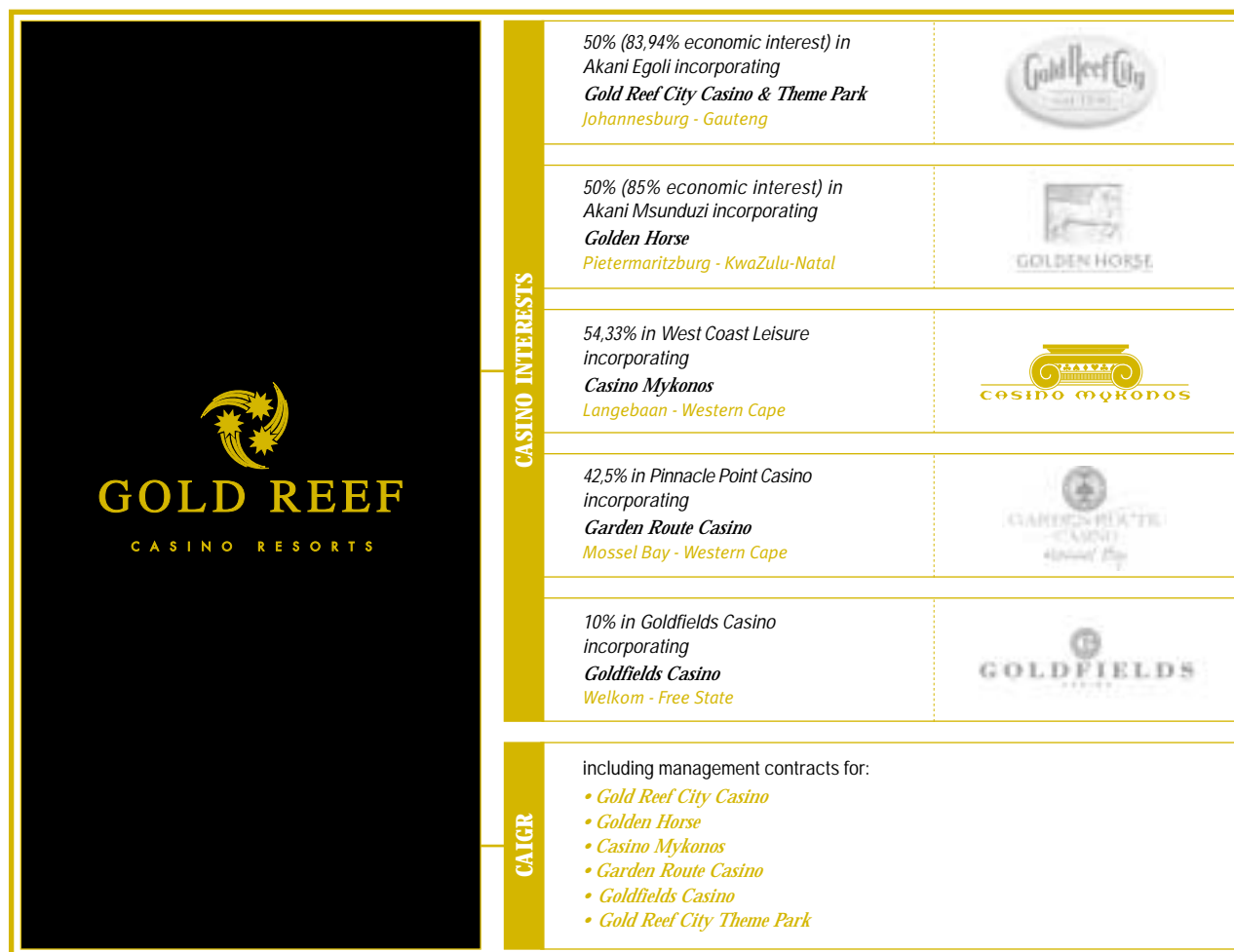
~• DEFINITIONS •~

<i>"Akani Egoli"</i>	~ Akani Egoli (Pty) Limited
<i>"Akani Egoli Management"</i>	~ Akani Egoli Management (Pty) Limited
<i>"Akani Leisure Casinos"</i>	~ Akani Leisure Casinos (Pty) Limited
<i>"Akani Leisure Investments"</i>	~ Akani Leisure Investments (Pty) Limited
<i>"Akani Leisure Msunduzi Investments"</i>	~ Akani Leisure Msunduzi Investments (Pty) Limited
<i>"Akani Msunduzi"</i>	~ Akani Msunduzi (Pty) Limited
<i>"Akani Msunduzi Management"</i>	~ Akani Msunduzi Management (Pty) Limited
<i>"Aldiss Investments"</i>	~ Aldiss Investments (Pty) Limited
<i>"BEE"</i>	~ Black economic empowerment
<i>"the board"</i>	~ The board of directors of GRCR
<i>"CAIGR"</i>	~ CAI Gold Reef Management (Pty) Limited
<i>"Casinos Austria"</i>	~ Casinos Austria International Holding GmbH
<i>"CEO"</i>	~ Chief Executive Officer
<i>"COO"</i>	~ Chief Operating Officer
<i>"Eglin"</i>	~ Eglin Investments No. 30 (Pty) Limited
<i>"EBITDA"</i>	~ Earnings before interest, taxation, depreciation and amortisation
<i>"EPS"</i>	~ Earnings per share
<i>"FD"</i>	~ Financial Director
<i>"Goldfields Casino"</i>	~ Goldfields Casino and Entertainment Centre (Pty) Limited
<i>"GRCR" or "the company"</i>	~ Gold Reef Casino Resorts Limited
<i>"the group"</i>	~ GRCR and its subsidiaries, associates and affiliates
<i>"HEPS"</i>	~ Headline earnings per share
<i>"HDIs"</i>	~ Historically disadvantaged individuals
<i>"JSE"</i>	~ JSE Securities Exchange South Africa
<i>"King II Report"</i>	~ King Report on Corporate Governance for South Africa 2002
<i>"MD"</i>	~ Managing Director
<i>"NAV"</i>	~ Net asset value
<i>"NRGP"</i>	~ National Responsible Gaming Programme
<i>"Pinnacle Point Casino"</i>	~ Pinnacle Point Casino (Pty) Limited
<i>"the previous year" or "the prior year"</i>	~ GRCR's financial year ended 31 December 2002
<i>"SA"</i>	~ South Africa
<i>"SENS"</i>	~ The JSE Stock Exchange News Service
<i>"West Coast Leisure"</i>	~ West Coast Leisure (Pty) Limited
<i>"the year"</i>	~ GRCR's financial year under review ended 31 December 2003

DEFINITIONS



~• GROUP STRUCTURE •~



GROUP STRUCTURE



~• DIRECTORATE •~

Executive Directors - (1) **S B JOFFE (33) CEO** *B.Com (Hons Taxation) H.Dip (Company Law) CA (SA)* Has 10 years' experience in the gaming industry, having served as FD of GRCR before being appointed as CEO in 2000.

(2) **J S FRIEDMAN (31) FD** *CA (SA)* Has four years' experience in the gaming industry. Joined GRCR in 2000. Has completed the Financial Accounting and Auditing course of the Gaming Management Department at the University of Reno, Nevada.



(1)



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(3) **C NEUBERGER" (39) COO** *MBA (Vienna)* Has 14 years' experience in gaming with GRCR's international partner Casinos Austria in Europe, Australia and South Africa. "*Austrian Citizen*"

(4) **B J SCHUTTE (56) MD** *Gold Reef City Theme Park* Has 33 years' experience in the leisure industry. Holds executive directorships of a number of private companies.

DIRECTORATE

Gold Reef Casino Resorts Annual Report 2003



~• DIRECTORATE (CONTINUED) •~

Non-executive Directors - (1) **M KROK (47)** **Chairman** *B.Proc. LLB* Has more than 22 years' experience in legal and diverse business fields.

Is currently a non-executive director of Aspen Pharmacare Holdings Limited and a director of numerous private companies.

(2) **A J AARON (72)** *B.Com LLB* Director of Werksmans Inc. attorneys with over 50 years' experience in commercial and corporate law.

Serves as chairman of Aspen Pharmacare Holdings Limited and as a non-executive director of Bridgestone Firestone Maxiprest Limited, Edgars Consolidated Stores Limited and Transpaco Limited.



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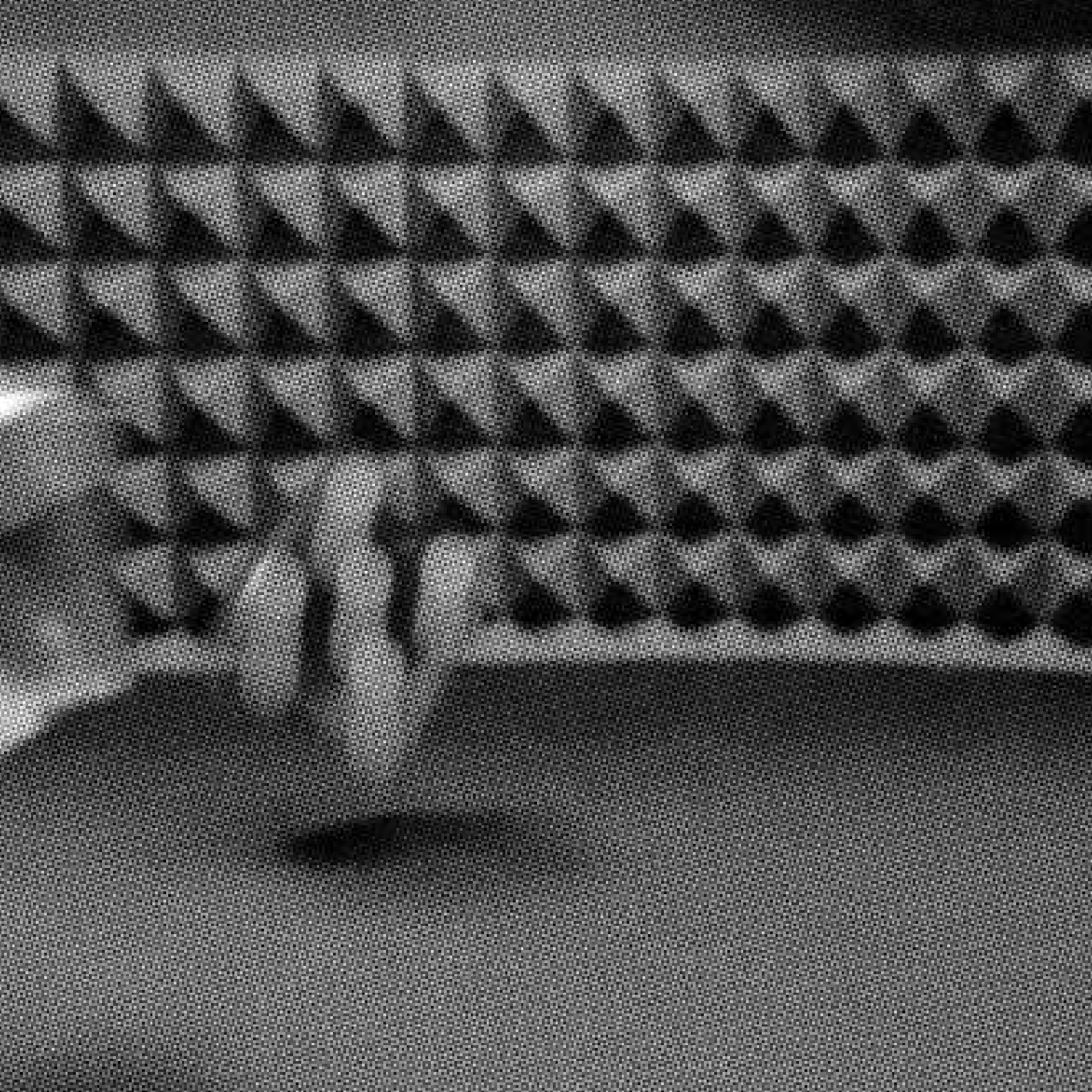
(3) **R J KHOZA (54)** *BA (Hons) MA (Lancaster) PMD (Harvard) IMPD MD (Lausanne)* Currently chairman of Eskom and Quaystone Limited and a director of Sail Group Limited. In addition is a director of a number of private companies.

(4) **M Z KROK (46)** Has more than 20 years' experience in a diversity of business fields and holds directorships of numerous private companies.

(5) **F P MCFADDEN^ (47)** *BA (Hons) London* COO of Casinos Austria and CEO of Casinos Austria International Limited. Has more than 15 years' experience in the international gaming industry in the Americas, Europe, the Middle East, Africa and Australia Asia Pacific. ^ *Irish Citizen*

DIRECTORATE

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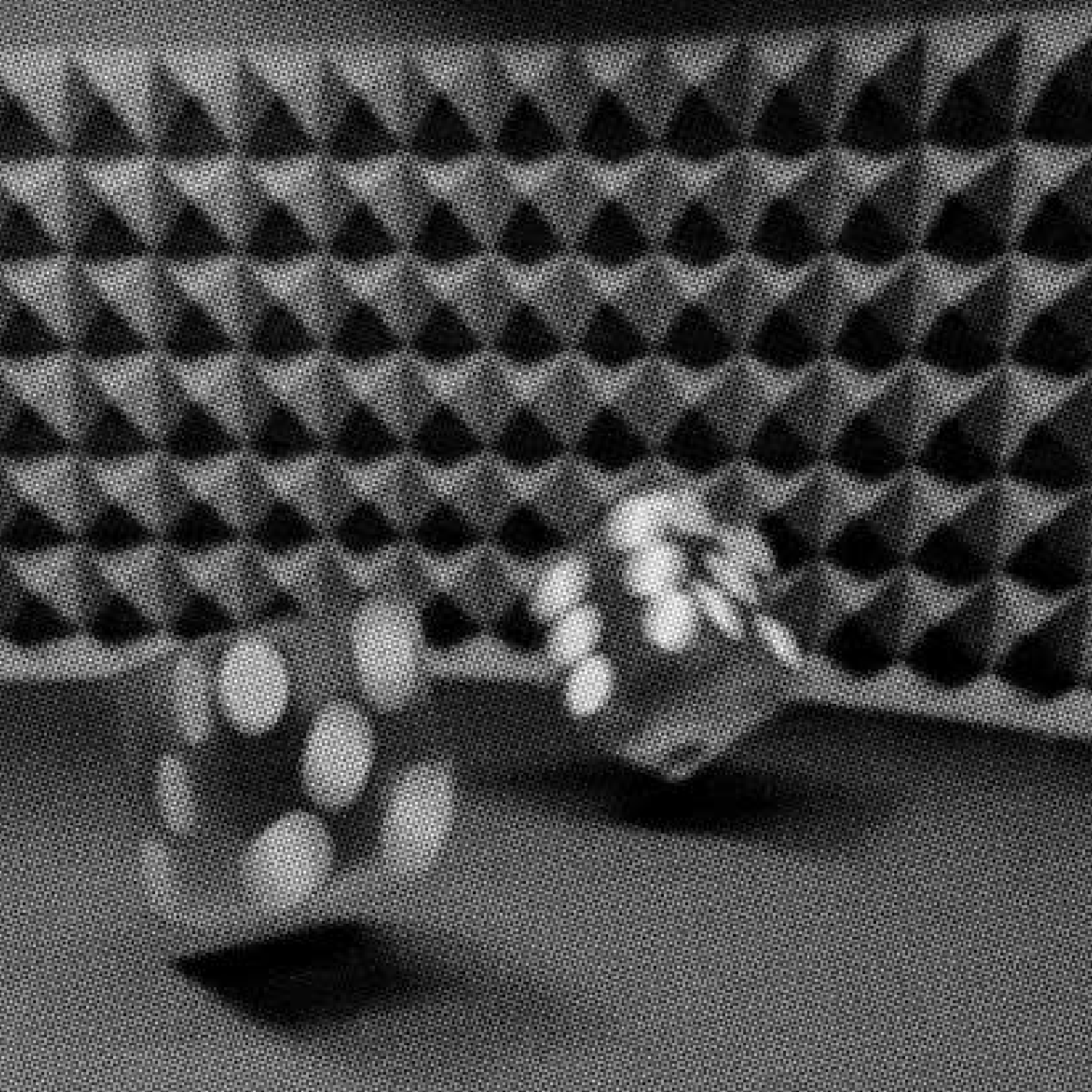
~• DIRECTORATE (CONTINUED) •~

Alternate Directors - **A KROK (74)** *Dipl Pharmacy Doctor of Humane Letters Honoris Causa* Serves as a director of a number of private companies.

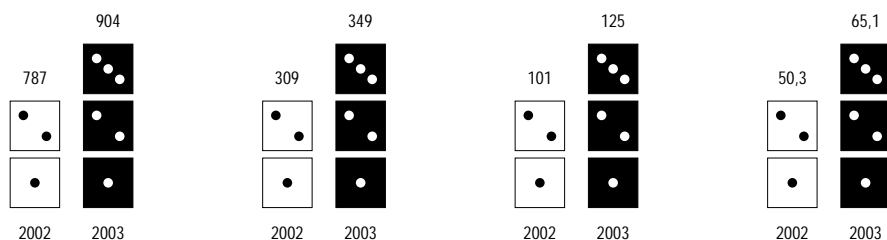
S KROK (74) *Doctor of Humane Letters Honoris Causa* Serves as a director of a number of private companies.
R VIERZIGER" (50) *Hotel Management School (Salzburg)* MD of Casinos Austria International GmbH. Has more than 25 years' experience in the hospitality, marketing and casino industries. "*Austrian Citizen*

~• SENIOR MANAGEMENT •~

B BIYELA (33) - *General Manager*, Gold Reef City Casino.
P BENEY (41) - *General Manager*, Casino Mykonos. **SH BULLEN (47)** - *General Manager*, Golden Horse.
RJ SEABROOK (32) - *General Manager*, Garden Route Casino. **D DE BEER (35)** - *General Manager*, Goldfields Casino.



~• FINANCIAL HIGHLIGHTS •~



Revenue (Rm)

EBITDA (Rm)

Net Profit (Rm)

HEPS (cents)

	REVENUE		EBITDA		EBITDA %	
	Dec 2003	Dec 2002	Dec 2003	Dec 2002	Dec 2003	Dec 2002
	R'000	R'000	R'000	R'000	%	%
Gold Reef City	712 918	622 558	265 935	233 954	37,3	37,6
Golden Horse	122 534	118 604	43 662	42 714	35,6	36,0
Casino Mykonos	55 336	45 607	18 550	13 797	33,5	30,3
Garden Route Casino*	74 654	5 917	30 183	2 281	40,4	38,6
Goldfields Casino**	5 832	-	2 716	-	46,6	-

* opened 12 December 2002 ** opened 4 December 2003

DIVIDEND OF 27 CENTS PER SHARE UP 80%
ATTRIBUTABLE PROFIT UP 23,4%
HEPS OF 65,1 CENTS UP 29,4%
NET CASH GENERATED IN OPERATING ACTIVITIES
(BEFORE DEDUCTING DIVIDEND) OF 141,7 CENTS PER SHARE
EBITDA: REVENUE 38,6%

FINANCIAL HIGHLIGHTS

Gold Reef Casino Resorts Annual Report 2003



GROUP OBJECTIVES

Like many of man's great achievements our company was born from a vision. While it will continue to grow from this dynamic foundation, certain core values will remain constant:

1

We are in the business of providing good value family fun and entertainment to our patrons.

2

We strive at all times to enhance the quality of our patrons' experience through exceptional service and product in all spheres of activity.

3

We expect from our staff dedication to the highest principles of quality, service and integrity.

4

We offer all staff the opportunity to be part of a winning team, just reward, the best training, advancement commensurate with merit and freedom to reach the highest levels of employment.

5

We intend to deliver consistent earnings growth and to enhance shareholder value.

SIX

We contribute to our country as a responsible corporate citizen and conduct our affairs accordingly.

7

We constantly strive to be the best at what we do.

~• GROUP FIVE YEAR REVIEW •~

	2003	2002	2001	2000	1999
	R'000	R'000	R'000	R'000	R'000
Income Statement					
Revenue	903 903	787 125	-	-	-
EBITDA	349 020	308 515	47 015	33 305	(4 964)
Net profit attributable to shareholders	125 069	101 357	82 807	62 047	20 051
Headline earnings	131 426	107 437	82 780	73 370	30 001
Number of shares in issue (000)	217 860	213 542	177 262	177 262	131 807
EPS (cents)	61,9	47,5	46,7	40,6	25,0
HEPS (cents)	65,1	50,3	46,7	40,4	34,2
Net cash generated in operating activities per share (cents)	141,7	103,8	16,1	25,2	(11,2)
Dividend per share (cents)	27,0	15,0	-	-	-
Balance Sheet					
Interest bearing borrowings	203 482	365 284	-	-	-
Financial Ratios					
Return on equity (%)	15,3	15,4	14,5	12,7	6,1
Gearing (%)	24,9	26,0	2,6	7,3	-
Interest cover (times)	8,3	4,4	-	-	-
Dividend cover (times)	2,4	3,4	-	-	-
NAV per share (cents)	401,7	356,7	312,2	274,8	248,0
<i>Note: The group consolidated its results from 2002. Prior to this the results were equity-accounted.</i>					



CHAIRMAN'S REPORT - *Maxim Krok*

A stylized, handwritten signature in yellow ink, appearing to read 'M. Krok', written over a horizontal line.

IN LIGHT OF THE GROUP'S STRONG PERFORMANCE I AM PLEASED TO REPORT THAT WE DECLARED A DIVIDEND FOR THE YEAR OF 27 CENTS PER SHARE. THIS WAS A SIGNIFICANT 80% INCREASE OVER THE PREVIOUS YEAR.

CHAIRMAN'S REPORT

Gold Reef Casino Resorts Annual Report 2003

~• CHAIRMAN'S REPORT •~

An improved South African economy in 2003 impacted favourably on GRCR. Reduced inflation and interest rates boosted disposable income which resulted in outstanding revenue for all of GRCR's casinos. The group's strong performance enabled GRCR to accomplish a fifth consecutive year of growth. Two significant strategic goals were achieved. Management's continued focus on strict cost discipline ensured that each casino traded well above margins despite intense competition, and net borrowings were received at a quicker rate than anticipated to the lowest level since GRCR's inception.

Consolidated group revenue for the year increased 14,8% to R903,9 million while profit attributable to shareholders rose 23,4% to R125,1 million. EBITDA of R349,0 million, representing a 38,6% margin on revenue, was up 13,1% on the previous year. Total net group external debt reduced to R137,7 million from R211,9 million at 31 December 2002, reflecting a debt-to-equity ratio of 24,9%. Interest cover improved to a healthy 8,3 from 4,4 for the prior year.

HEPS increased by 29,4% to 65,1 cents. Net cash generated from operations of R286,2 million before deducting the 2002 dividend paid of R29,2 million, amounted to 141, 7 cents per share.

In light of the group's performance a dividend of 27 cents per share was declared for the year. This is a significant 80% increase over the previous year's dividend of 15 cents per share.

INTERNATIONAL GAMING TRENDS

In order to secure the group's competitive advantage, leading international gaming practices are constantly being monitored and implemented in GRCR's casinos. Local demand has reflected the growing popularity of video gaming machines over traditional slot machines. The group accordingly took advantage of the Rand's strength to import a large complement of these video gaming machines during the year.

GRCR will continue to follow the international trend of enhancing customer relations through mechanisms such as patron loyalty programmes. The method by which we will introduce new programmes locally will continue to respect our patron's right to privacy. The group is also investigating a number of options to facilitate the growing trend towards a cashless gaming solution as has been successfully implemented abroad.

~• CHAIRMAN'S REPORT (CONTINUED) •~

Our relationship with Casinos Austria continues to assist us in pursuing opportunities internationally. GRCR will continue to leverage off this shared expertise in developing, structuring, financing and managing casinos.

TRANSFORMATION AND CORPORATE CITIZENSHIP

GRCR remains dedicated to pursuing real transformation that reflects national and industry imperatives. Our employment equity statistics and skills development programmes reflect our commitment to responsible corporate citizenship. During the year GRCR financed the purchase from Gensec by empowerment company Eglin of its interest in Akani Leisure Investments, which is GRCR's empowerment partner in Akani Egoli - the owner and operator of Gold Reef City Casino and Theme Park. The transaction increased GRCR's effective economic interest in Akani Egoli by an additional 4,19% to 83,94%. In addition, we continue to support social initiatives aimed at improving conditions in historically disadvantaged communities.

GRCR also fully supports the government's endeavours to manage the impact of problem gaming. As well as active participation in the NRGp, we are a member of the Casino Association of South Africa and will make representations on the regulations promulgated pursuant to the National Gaming Bill 2003. We are hopeful that the regulations will be drafted based on international best practice and look forward to engaging with the Department of Trade and Industry to ensure a mutually desirable outcome.

CORPORATE ACTIONS

As announced previously GRCR, through its wholly-owned subsidiary Aldiss Investments effected a pro-rata share repurchase in January at a cost of R42,7 million. Aldiss Investments subsequently purchased additional shares on the open market for R678 052. The purchases were financed out of GRCR's existing cash resources. The shares will continue to be held as treasury stock.

THE YEAR AHEAD

The Rand's sustained strength in 2004 will help to stabilise the cost of the group's imported gaming equipment and assist the casinos in maintaining healthy trading margins. We anticipate that continued cost discipline and reduction in net external debt will again enhance bottom line growth in 2004. GRCR will continue to pursue prudent investment opportunities where appropriate.

APPRECIATION

I thank our management and staff for their commitment and hard work in achieving these excellent results. My thanks to our patrons for their loyalty and continued support. I thank my fellow directors for their vision, expertise and sound advice which is reflected in the group's performance. Finally my appreciation to our shareholders for their ongoing support.

CONTINUED COST DISCIPLINE AND REDUCTION IN NET EXTERNAL DEBT WILL AGAIN
ENHANCE BOTTOM LINE GROWTH IN 2004.

(1) GOLD REEF CASINO - Gauteng. (2) GOLD REEF CITY THEME PARK - Gauteng.

(1)



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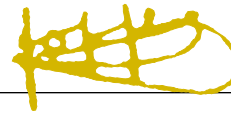


(5)

(3) APARTHEID MUSEUM - Gauteng. (2) GOLDEN HORSE - KwaZulu-Natal.



CEO'S REPORT - *Steven Joffe*



GRCR'S EXCELLENT PERFORMANCE IS ATTRIBUTABLE TO
EXCEPTIONAL TRADING AT EACH OF THE GROUP'S FIVE CASINOS.

CEO'S REPORT

Gold Reef Casino Resorts Annual Report 2003

~• CEO'S REPORT •~

GRCR's excellent performance is attributable to exceptional trading at each of the group's five casinos. GRCR's longest trading casinos Gold Reef City, Golden Horse and Casino Mykonos contributed significantly to the group's results and strong growth. Our new casinos, Garden Route Casino and Goldfields Casino, have traded well since inception and are anticipated to enhance GRCR's earnings in 2004.

REVIEW OF OPERATIONS

Gold Reef City - Gold Reef City continued to perform well with revenue up 14,5% . EBITDA of R265,9 million represented a robust 37,3% margin on revenue.

With revenue of R713 million representing 78,9% of total group revenue, Gold Reef City remains the group's flagship. Successful marketing initiatives including loyalty programmes and above-the-line advertising as well as exposure on M-Net's Idols Contest helped to boost the casino's market share in Gauteng. The impressive 15,3% growth in gaming revenues exceeded the province's 11,3 % growth to December 2003. The casino also substantially reduced net external debt from R223,4 million to R80,2 million.

A new 500-seater conference facility currently under construction and due for completion by September 2004, is expected to broaden the casino's patron profile.

The Theme Park exhibited a satisfactory performance. In line with GRCR's long-term strategy to expand the facilities the group took advantage of

the Rand's strength to import a new world-class rollercoaster. It is expected to be operational in the third quarter of 2004. Continued heavy patronage at the Theme Park has prompted the group to consider further expansion in the year ahead.

The Apartheid Museum, which is independently run by a section 21 company, enjoyed improved trading with Gold Reef City Casino continuing to contribute a fixed monthly fee to fund operational expenses. A first of its kind in South Africa, the museum has become an increasingly popular attraction with local school and educational groups as well as with foreign tourists.

Golden Horse - As anticipated Golden Horse reflected moderate growth that was satisfactory in light of increased competition in the area.

The casino posted revenue of R122,5 million, 3,3% higher than the previous year. Cost discipline resulted in EBITDA of R43,7 million representing a 35,6% margin on revenue. Net external debt was down from R85,3 million for the previous year to R62,1 million.

~• CEO'S REPORT (CONTINUED) •~

Casino Mykonos - Another year of exceptional trading at Casino Mykonos increased revenue by 21,3% to R55,3 million. Management's focus on cost control contributed to the casino's EBITDA margin on revenue of 33,5%, a commendable achievement in a casino of this size. Term loan funding was reduced to R2,7 million at 31 December 2003, which is expected to be fully repaid in the first half of 2004.

Garden Route Casino - The Garden Route Casino's results were proportionately consolidated following GRRC's acquisition on 19 September 2003 of an additional 32,5% stake in Pinnacle Point Casino, which owns the Garden Route Casino. This transaction increased GRRC's interest to 42,5%. The total purchase consideration was financed out of operating cash flow.

Robust trading and a particularly strong festive season saw the casino exceed budget with revenue of R74,7 million. EBITDA of R30,2 million represented a 40,4% margin on revenue. Net external debt at year-end was down from R50,0 million to R32,8 million. No trading comparison can be made to the previous year as the casino only opened mid-December 2002.

Environmental approvals for the adjacent golf course development have been obtained. Construction has already begun and 80 golf lodges are expected to be completed by year-end, which should impact positively on the casino.

Goldfields Casino - The new casino in which GRRC holds a 10% interest, opened in Welkom on 4 December 2003 and traded well ahead of budget. The casino reported revenue for 28 days of R5,8 million, with EBITDA of R2,7 million.

Based on these early positive indications the group is confident that the casino will contribute to group profits in 2004.

CAIGR - CAIGR, which holds the group's one theme park and five casino management contracts, continued to perform well and generated good cash flows.

OUTLOOK

Management will continue to explore opportunities and in line with strategy will pursue only those that meet appropriate thresholds and criteria. Overall the group anticipates steady growth in the year ahead, underpinned by continued robust cash flow and reduced gearing.

WORD OF THANKS

My thanks to the group's management teams and staff whose dedication to excellence and enthusiasm enabled the group to achieve these outstanding results. Thank you to our patrons for their invaluable loyalty and support.

GOLDFIELDS CASINO OPENED IN WELKOM ON 4 DECEMBER 2003 AND REPORTED REVENUE OF R5,8 MILLION FOR 28 DAYS. THE GROUP IS CONFIDENT THAT THE CASINO WILL CONTRIBUTE TO GROUP PROFITS IN 2004.

CEO'S REPORT

Gold Reef Casino Resorts Annual Report 2003



(1)



(2)

(1-2) **CASINO MYKONOS** - Western Cape. (3-4) **GARDEN ROUTE CASINO** - Western Cape.



(3)



(4)

~• CORPORATE GOVERNANCE & CITIZENSHIP REPORT •~

The directors of GRCR recognise the need to conduct the affairs of the group with transparency and integrity. GRCR is committed to principles of good corporate governance and the directors accept responsibility to ensure that GRCR observes the Code of Corporate Practices and Conduct incorporated in the King II Report. The directors believe that the group complies materially with these recommendations, which areas of compliance are set out below. The directors continually monitor compliance to ensure ongoing improvement of operational and corporate practices.

THE BOARD

The board is a unitary board and is regulated by a formal Board Charter that sets out the role of the board and the responsibilities of the directors within the relevant statutory and regulatory frameworks.

GRCR's comprehensive Board Charter deals with both procedural and substantive matters. Procedurally the Board Charter stipulates:

- board leadership;
- the separation of the offices of the non-executive Chairman and the CEO;
- board composition;
- board processes in respect of board meetings;
- policy and process of remuneration;
- new appointments and induction; and
- board evaluation.

The strict separation of the roles of the non-executive Chairman and the CEO underpins the board's policy of a clear division of responsibilities

at board level. This ensures a balance of authority and precludes any one director from exercising unfettered powers of decision-making.

Substantively the Board Charter governs the bases on which the board is expected to:

- exercise leadership;
- determine vision and group strategy;
- monitor operational performance and management ;
- manage risk and internal controls;
- establish a code of ethical conduct and business practice; and
- establish communication policies.

The board comprises five non-executive directors and four executive directors, with three alternate non-executive directors. No changes to the board's composition occurred during the year. The directors are set out on pages 8 to 12 of the annual report. Details of directors retiring and offering themselves for re-election at the upcoming annual general meeting

are set out on page 48 of the annual report. The board is cognisant that the appointment of independent non-executive directors is an important element of good corporate governance. Despite efforts made to date, GRCR has not yet recruited any independent non-executive directors. The process of identifying appropriate candidates will continue.

No executive director holds office in terms of a fixed-term employment contract and all directors are accordingly subject to retirement by rotation and re-election at least once every three years. Directors' remuneration is disclosed in detail in the Directors' Report and in note 30 to the annual financial statements.

The board meets at least quarterly to evaluate performance, assess risk and review the strategic direction of the group. Additional meetings are convened as dictated by circumstances.

Non-executive directors provide objectivity and independence in board deliberations and internal decision-making processes. Executive directors hold the responsibility of implementing operational decisions through management.

All directors have unrestricted access to the advice and services of the company secretary and to company records, information, documents and property. Non-executive directors also have unfettered access to management at any time. All directors are entitled, at GRCR's expense, to seek independent professional advice on any matters pertaining to the group where they deem this to be necessary.

Further, directors are informed at board meetings of major regulatory and legislative developments in order to remain abreast of current requirements. The company involves its sponsor and other relevant experts where necessary to ensure that comprehensive, accurate information is conveyed.

BOARD PROCESSES

Board appointments are based on a blend of skills and experience as well as concerns such as diversity. New appointments are considered by the board as a whole. New directors will be exposed to an induction programme that sets out their responsibilities and fiduciary duties as well as the relevant statutory and regulatory frameworks. In terms of GRCR's articles of association, new directors hold office until the next annual general meeting at which they must retire and are subject to re-election at the instance of shareholders in general meeting.

The performance of the CEO and the other senior executives are assessed three times each year by the remuneration committee as a precursor to evaluating appropriate remuneration.

Directors are required to report to the board any conflicts or potential conflicts of interest in respect of matters under deliberation.

The board has a formalised share-trading policy. All directors and other employees who have access to financial results and any other information considered by the JSE to be price-sensitive, are prohibited from dealing in GRCR shares during 'closed periods' preceding the publication of the group's interim and annual financial results or other price-sensitive information or while the company is operating under cautionary.

Further, directors are obliged to obtain clearance from the Chairman prior to dealing in the shares of the company and to report any share dealings (including transactions in terms of the Gold Reef Share Scheme) to the company secretary who, together with the sponsor, ensures that such information is published on SENS.

All committees have satisfied their responsibilities during the year in compliance with their terms of reference. Existing charters will be

~• CORPORATE GOVERNANCE & CITIZENSHIP REPORT (CONTINUED) •~

reviewed annually to ensure that they keep pace with current developments and best-practice.

BOARD COMMITTEES

Audit Committee

The audit committee comprising four non-executive directors and chaired by non-executive director AJ Aaron, met three times during the year. Should it be necessary the audit committee will meet at least four times per year going forward in accordance with the recommendations in the King II Report. The CEO, FD, Group Internal Audit Manager and external auditors are invited to attend every meeting and management members attend as required.

The audit committee reviews the interim and annual financial statements before they are approved by the board. It considers accounting, auditing, financial reporting and internal control matters to ensure that an effective control environment is maintained. The committee is specifically tasked with evaluating the internal audit mandate, plan and activities. The committee also monitors proposed changes to accounting policy and advises the board on the accounting implications of major transactions.

The committee further recommends the appointment of external auditors to the board for approval by shareholders in general meeting. In doing so it evaluates the external auditors' independence and plan. The responsibility to review the group's compliance with the King II Report and Listings Requirements of the JSE also falls to the committee.

The committee is tasked with assessing the major business and operational risks faced by the group, and for recommending and monitoring appropriate risk management strategies.

Each of Akani Egoli, Akani Msunduzi, West Coast Leisure, Pinnacle Point Casino and Goldfields Casino has a separate audit committee. These committees comply with the standards and practices set by GRCA's audit committee. The external auditors of each of these companies also report their findings directly to GRCA's audit committee.

The chairman of the audit committee or another committee member nominated by him, attends the company's annual general meeting.

Remuneration Committee

The remuneration committee, chaired by non-executive Chairman M Krok, comprises a further three non-executive directors who meet three times a year. The CEO and FD attend these meetings by invitation but are excluded from deliberations in respect of their own remuneration.

The committee is responsible for determining the terms of employment and remuneration of the company's executive directors and senior management which includes assessment of specific reward proposals. This in turn involves an evaluation of performance. The committee ensures that the company remunerates executive directors and senior management fairly, taking all factors and circumstances into account. An incentive component forms part of the remuneration package to ensure performance delivery against key objectives and alignment with shareholder interests. The committee is further responsible for approval of the remuneration strategy for the group as proposed by the board.

The committee intends to formalise a charter in 2004. The chairman of the remuneration committee or another committee member nominated by him, attends the company's annual general meeting.

Directors' remuneration and interests are included in the Directors' Report and in notes 30 and 27 respectively to the annual financial statements.

MANAGEMENT

Operational management is appointed by the board based on the appropriate skills and experience necessary to perform the relevant function. Processes have been formalised to promote interactive dialogue and decision-making between management and executive directors. This facilitates the disclosure to the directors of any conflict or potential conflict of interest on the part of management. The performance of senior managers is independently reviewed by the remuneration committee and the company's executive directors.

ACCOUNTING AND AUDITING

External audit

GRCR's external auditors are responsible for providing an independent assessment of internal controls and reporting on whether the financial statements are fairly presented in compliance with South African Statements of Generally Accepted Accounting Practice. The preparation of the financial statements remains the responsibility of the directors and management.

Internal audit

The group's internal audit function is housed in Akani Egoli and seconded to Akani Msunduzi, West Coast Leisure, Pinnacle Point Casino and Goldfields Casino on a cost recovery basis. The Group Internal Audit Manager co-ordinates this process and attends all of these subsidiaries' audit committee meetings. He also reports at GRCR audit committee meetings and has direct access to the chairman of the audit committee.

The internal audit function is operated in accordance with terms of reference set out in an Internal Audit Charter. The function is as envisaged in the Standards for the Professional Practice of Internal Auditing, which is fully endorsed by the applicable codes on corporate governance.

Internal audit is an independent, objective function that assists the board and management in accomplishing their objectives by providing a systematic approach to evaluating the company's risk management and governance processes.

The internal audit function evaluates and examines the casinos' activities and resultant business risks. The scope of the internal audit function includes compliance auditing of specific areas stipulated by the relevant gambling boards as well as assessing the adequacy of internal controls, fraud prevention, risk management and the safeguarding of assets. Unrestricted consultation is encouraged between the internal audit function and directors, management and GRCR's external auditors.

INTERNAL CONTROLS AND RISK MANAGEMENT

The board is responsible for the group's systems of internal control and risk management. The systems of internal control are designed to provide reasonable but not absolute assurance as to the integrity and reliability of the financial statements and to safeguard and maintain accountability of the group's assets. Specifically these systems provide reasonable but not absolute assurance regarding:

- the safeguarding of assets against unauthorised disposal or use;
- compliance with statutory laws and regulations; and
- the maintenance of proper accounting records and the adequacy and reliability of financial information.

The group's systems of internal control are further designed to detect and minimise significant fraud, potential liability, loss and material misstatement. The systems are designed to manage rather than eliminate risk of failure and opportunity risk.

~• CORPORATE GOVERNANCE & CITIZENSHIP REPORT (CONTINUED) •~

The audit committee reports to the board which bears the responsibility of assessing the risks that are continuously identified through the risk management process. Together with the audit committee the board monitors the implementation of the appropriate risk management strategies throughout the group.

The directors have satisfied themselves that adequate systems of internal control are in place to mitigate significant risks identified to an acceptable level. Nothing has come to their attention to indicate that a material breakdown in the functioning of these systems within the group has occurred during the year.

INTEGRATED SUSTAINABILITY REPORTING

GRCR directors recognise that social and environmental responsibilities, where applicable, must be prioritised alongside more conventional business objectives in order to ensure responsible corporate citizenship. GRCR has therefore reported on the group's financial, social and environmental progress.

TRANSFORMATION

The group continues to support transformation in line with national and industry imperatives.

Employment Equity

Specifically GRCR seeks to:

- eliminate any discriminatory barrier or practice that prevents an employee from enjoying the fundamental opportunities, rights, benefits and privileges accorded to any other employee within the group;
- achieve an employment status that fairly represents the demographics of the country as well as the region in which the casinos are located;

- entrench a culture in which employment equity is a business imperative, the absence of which impedes the company's ability to compete effectively.

Throughout the group appointments are made only after extensive consultation with the respective human resources departments in order to ensure compliance with employment equity policies. Certain of the group's operations have employment equity committees dedicated to monitoring the ongoing implementation of employment equity plans. They constantly assess national demographic representation in order to ensure that no specific group is afforded undue weighting and adjust their targets accordingly.

All of the group's operations ensure the transparency of the employment equity process through direct communication with employees. All operations display an understandable summary of the Employment Equity Act's salient points in the casino's staff area.

The group has submitted its Employment Equity and Skills Development plans to the relevant authorities and is on track to meet its targets, which in many cases exceed regulated industry transformation benchmarks. However the shortage of suitably educated and qualified candidates within the designated demographic groups is proving a challenge for the group's operations in fulfilling their targets. Each operation has nonetheless reported good progress with the group's flagship Gold Reef City Casino reporting significant progress specifically in respect of the appointment of female staff and managers.

All of the group's operations have identified positions to be filled by disabled employees. Gold Reef City Casino, Golden Horse and the Garden Route Casino currently employ disabled personnel. In addition the aged are employed where possible, for instance at Gold Reef City Theme Park which employs retired mine workers.

TOTAL EMPLOYEES	PROJECTED	ACTUAL	ACTUAL	ACTUAL
	%	2003 %	2002 %	2001 %
Asian	7	6	7	1
Black	67	66	65	70
Coloured	12	13	12	15
White	14	15	16	14
Female	46	42	41	40
Total HDI	92	91	85	93
Permanent	93	94	95	100
Temporary	7	6	5	-
Broken down as follows:				
Senior management				
Asian	9	11	7	4
Black	13	4	13	10
Coloured	4	2	-	10
White	74	83	80	76
Female	26	28	20	34
Middle and junior management				
Asian	6	1	4	-
Black	40	37	36	35
Coloured	7	7	5	16
White	47	55	55	49
Female	39	41	45	40
Supervisory				
Asian	9	9	3	1
Black	64	64	67	70
Coloured	6	5	13	15
White	21	22	17	14
Female	42	41	43	39
General staff				
Asian	6	6	7	1
Black	71	71	70	77
Coloured	15	15	13	16
White	8	8	10	6
Female	43	43	44	41



(1)

(1-2) **GOLDFIELDS CASINO** - Free State.

(2)



•~ CORPORATE GOVERNANCE & CITIZENSHIP REPORT (CONTINUED) •~

SKILLS DEVELOPMENT AND TRAINING

Ongoing staff training is encouraged throughout the group with internal and external training courses offered to enhance skills. In 2003 Gold Reef City Casino focused on the areas of Supervisory Development, Life Skills, Business English, Performance Management, Industrial Relations and Customer Service with 90% of course attendees being HDIs. Golden Horse's and Casino Mykonos' training programmes ranged from gaming operational courses including Dealing, Chipping and Cashiering to educational courses on Labour Law, Information Technology and Industrial Relations. At Casino Mykonos training courses were also held in Management Development.

At the Garden Route Casino 23 managers and supervisors received training on Basic Industrial Relations, while general staff enrolled in courses ranging from Responsible Gaming and Customer Service to Public Address and Communication Skills. The success of the casino's training programmes was evidenced by the 85+% test-scores achieved by the employees having attended select courses.

Succession planning is encouraged throughout the group with emphasis on facilitating the advancement of HDIs. Formal leadership programmes are being researched for implementation. During 2003 Golden Horse embarked on a Fundamental Business Management Development Programme in collaboration with the Business Studies Unit at the Durban Institute of Technology. 10 candidates were enrolled in the year-long programme.

In addition study loans are made available to employees wishing to further their existing skills at recognised institutions. The study assistance programme has already benefited a wide range of employees since inception three years ago. The group further has an ongoing skills-transfer programme

with Casinos Austria through which senior casino management are exposed to international best-practice.

Employee participation in the ownership of the group is facilitated through the Gold Reef Share Scheme, details of which are set out in the Directors' Report. The group's culture encourages open communication throughout all levels of employees and promotes employee participation in decision-making processes.

SAFETY, HEALTH AND ENVIRONMENT

Safety, health and environmental issues are managed by the boards of each of the group's operations. Policies have been formalised and Health and Safety Officers appointed. In certain of the group's operations a Health and Safety Committee has also been established.

Safety

The group is committed to enforcing the most stringent standards of safety in the workplace. Health and Safety Officers and committees, supported by management, ensure compliance with the requirements of the South African Occupational Health and Safety Act to safeguard the welfare of both employees and patrons. Regular safety audits are conducted and risk avoidance strategies, which detail effective methods of risk detection and elimination, are constantly updated to take account of potential new risks identified.

Employee co-operation in the implementation of health and safety policies is imperative, with employees being encouraged to identify, report and eradicate potential risks. Nominated employees at the group's casinos were trained during the year in health and safety procedures including first-aid and fire prevention. Golden Horse received a five-star platinum rating in November 2003 for its Health and Safety Programme.

~• CORPORATE GOVERNANCE & CITIZENSHIP REPORT (CONTINUED) •~

Health

Onsite clinics are staffed by medical professionals who dispense advice and medication where necessary. Access to these clinics is free-of-charge for group employees.

GRCR respects the right of all employees to maintain confidentiality regarding their HIV/AIDS status and is committed to fostering a supportive working environment for employees infected with HIV/AIDS.

Voluntary HIV/AIDS testing and counselling are encouraged and condoms are distributed free-of-charge. In addition, HIV/AIDS awareness programmes were implemented at a number of the group's operations with general awareness material including posters and pamphlets displayed throughout the group.

While Golden Horse contracted the Careways group to run a formal Employee Assistance Programme that includes access to a 24 hour emergency call centre facility, Gold Reef City Casino is currently in the process of purchasing an interactive HIV/AIDS awareness and training programme to be launched later in 2004. The group's operations will look to formalise HIV/AIDS strategies in the year ahead.

Environment

GRCR is committed to environmentally responsible practices. The group has adopted Environmental Compliance Registers where appropriate. Certain procedures to assist with responsible environmental management have been adopted and implemented. All the casinos have set up systems to minimise waste of resources such as water, energy and materials. In addition, the protection of indigenous flora and fauna is an environmental imperative.

At certain of the casinos an environmental risk assessment is conducted annually.

BEE

The group embraces the transformation of the SA economy and is committed to contributing to its sustainability through true empowerment initiatives. GRCR targets three distinct goals:

- affirmative action - the development of HDIs through ongoing training, study-assistance and leadership programmes (as set out under 'Employment Equity' and 'Skills Development and Training');
- ownership; and
- affirmative procurement.

Both West Coast Leisure and Pinnacle Point Casino have issued a percentage of their shareholdings to HDIs or consortia for no consideration. Empowerment consortia hold 50% of the respective shareholdings of Akani Egoli and Akani Msunduzi and 40% of Goldfields Casino, partnering with GRCR. Further, there is empowerment participation in Akani Egoli's management contract.

During the year GRCR financed the purchase from Gensec by empowerment company Eglin of its 24,8% interest in Akani Leisure Investments - GRCR's empowerment partner in Akani Egoli which owns and operates Gold Reef City Casino. (Further detail is set out in the Chairman's Report.)

The group believes that affirmative procurement is an effective tool to encourage sustainable macro-economic development. The group's operations have therefore formalised procurement targets that align with SA's economic growth strategy. HDIs and organisations are awarded preference in the assignment of procurement contracts, with further priority on SMMEs. Not only does this enable the group to achieve its empowerment objectives but also assists with the upliftment of surrounding communities as local companies are targeted.

The group's BEE policies are monitored by the regional gambling boards.

SOCIAL RESPONSIBILITY

Responsible gaming

GRCR is committed to assisting government in ameliorating the impact on impoverished communities of problem gaming. The group participated in the process surrounding the National Gambling Bill and is providing input on regulations currently under preparation.

GRCR is also an active member of the NRGP, a national coalition of casino operators in South Africa that is distinct in the world. Although endorsed by government through partnership with the SA Responsible Gaming Trust, it is funded entirely by the private sector to manage issues arising from compulsive and problem gambling.

During the year more than 40 000 calls were logged by the tollfree helpline with 2 369 callers referred for free treatment by a medical professional and more than 2 500 others assisted telephonically. The 24/7 multi-lingual treatment network was extended to 37 towns and cities across southern Africa. In addition the NRGP published Africa's most comprehensive research study into gambling behaviour and problem gambling. Over 10 000 industry workers, along with staff from government regulatory authorities, received formal training on the subject of problem gambling. An extensive public advocacy campaign to promote responsible gambling was also launched, including Africa's first-ever education campaign aimed at adolescents and senior citizens.

51% of all NRGP procurement was placed with the HDI sector exceeding the target of 33%, while 89% of NRGP counsellors and clinical psychologists are HDIs.

Corporate investment

GRCR has entrenched the practice of contributing financial resources to social and community upliftment and empowerment. The implementation

of this function is decentralised and certain of the group's operations have similar formal policies.

West Coast Leisure donates 5% of pretax-profits each year to the West Coast Community Trust that was established to identify causes with an emphasis on job creation. Pinnacle Point Casino's similar trust has committed an annual donation of 1% of gross gaming revenues to projects that better the standards of living, education and tolerance in the surrounding community. Goldfields Casino has allocated R1 million to community projects and will inform the Free State Gambling and Racing Board by May 2004 of its detailed plan.

Akani Egoli and Akani Msunduzi have established companies solely devoted to identifying donation schemes. Their sponsorship of major social projects during the year continued to assist the beneficiaries set out in the previous year's annual report which include:

- Dube Sports Centre in Soweto ;
- Project Gateway - a church-based organization that aims to empower local youngsters from KwaZulu-Natal through skills training;
- Olwazini Discovery Centre in KwaZulu-Natal which fosters a better understanding of science, technology and culture amongst schoolgoers;
- SOJO - an organisation for the upliftment of facilities and stimulation of job creation in the south of Johannesburg; and
- SOS Children's Village which offers a permanent home to orphaned children and those who can no longer live with their families.

In May 2003 the new specialised paediatric ward at Chris Hani Baragwanath Hospital, reported on in the previous year's annual report, was completed and launched. GRCR was a major sponsor of this highly sophisticated facility.

~• CORPORATE GOVERNANCE & CITIZENSHIP REPORT (CONTINUED) •~

During 2003 the group also sponsored:

- The Foundation for Tolerance Education - a non-profit organisation committed to eradicating prejudice amongst SA's youth;
- The SPCA Horse Unit; and
- The Moral Regeneration Music Festival held at Golden Horse which focused specifically on HIV/AIDS and the high death toll on the roads.

CODE OF ETHICS AND BUSINESS CONDUCT ("THE CODE")

The Code sets out clear guidelines for honest and integrous conduct and fair business practices.

Matters governed by the Code include:

- responsible interaction by employees to ensure that independent judgement is not compromised by a conflict of interest;
- responsible gambling practices that include responsible marketing;
- a commitment to the highest standards of corporate governance;
- transparent, timely and reliable communication internally and with stakeholders; and
- compliance with the laws of SA, including common law and regulations laid down by the national and regional gambling boards.

Employees have been educated about the responsibility to report to management any actual, perceived or potential violation of the Code. In order to facilitate this process, the group has established a 'whistle blowers' hotline that is independently operated to protect confidentiality and anonymity.

Management bears the responsibility of monitoring ongoing compliance with the Code and of addressing any violation. GRRC will employ disciplinary procedures to address corruption, illegality, unethical behaviour and

any other transgression of the Code. The group will consider legal proceedings where appropriate.

STAKEHOLDER COMMUNICATION

Transparent, timely and reliable communication is incorporated in the Code as a basic operational policy. This translates into strong internal communication within the group and consistent communication with external stakeholders.

Internally, the operations host monthly fora for management and staff to discuss operational issues and to raise employee concerns. In addition the casinos utilise internal memoranda and public noticeboard systems to communicate important developments to staff. Direct interaction sessions with individual employees are also held from time-to-time where appropriate. The casinos further distribute monthly or quarterly newsletters.

GRRC's CEO and FD regularly communicate with major shareholders, institutional investors and analysts. Where permissible these directors also engage with the financial press in order to ensure accurate reporting. Company announcements are released on SENS and are posted on the company's website. Financial results announcements are also published in mainstream business press and sent directly to shareholders, who are encouraged to attend the annual general meeting in order to facilitate greater interaction with the board and committee chairmen.

DISCLOSURE STATEMENT

The annual report deals adequately with disclosures pertaining to the annual financial statements, auditors' responsibility, accounting records, internal control, risk management, accounting policies, adherence to accounting standards, going concern issues and adherence to codes of governance.

STILL

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GOLD REEF CASINO RESORTS LIMITED

Registration number: 1989/002108/06

ANNUAL REPORT 2003 ~ *Book 2: Annual Financial Statements*

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~• CONTENTS •~
GOLD REEF CASINO RESORTS LIMITED

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~• DEFINITIONS •~
GOLD REEF CASINO RESORTS LIMITED

<i>"Akani Egoli"</i>	~ Akani Egoli (Pty) Limited
<i>"Akani Egoli Management"</i>	~ Akani Egoli Management (Pty) Limited
<i>"Akani Leisure Casinos"</i>	~ Akani Leisure Casinos (Pty) Limited
<i>"Akani Leisure Investments"</i>	~ Akani Leisure Investments (Pty) Limited
<i>"Akani Leisure Msunduzi Investments"</i>	~ Akani Leisure Msunduzi Investments (Pty) Limited
<i>"Akani Msunduzi"</i>	~ Akani Msunduzi (Pty) Limited
<i>"Akani Msunduzi Management"</i>	~ Akani Msunduzi Management (Pty) Limited
<i>"Aldiss Investments"</i>	~ Aldiss Investments (Pty) Limited
<i>"BEE"</i>	~ Black economic empowerment
<i>"the board"</i>	~ The board of directors of GRCR
<i>"CAIGR"</i>	~ CAI Gold Reef Management (Pty) Limited
<i>"Casinos Austria"</i>	~ Casinos Austria International Holding GmbH
<i>"CEO"</i>	~ Chief Executive Officer
<i>"COO"</i>	~ Chief Operating Officer
<i>"Eglin"</i>	~ Eglin Investments No. 30 (Pty) Limited
<i>"EBITDA"</i>	~ Earnings before interest, taxation, depreciation and amortisation
<i>"EPS"</i>	~ Earnings per share
<i>"FD"</i>	~ Financial Director
<i>"Goldfields Casino"</i>	~ Goldfields Casino and Entertainment Centre (Pty) Limited
<i>"GRCR" or "the company"</i>	~ Gold Reef Casino Resorts Limited
<i>"the group"</i>	~ GRCR and its subsidiaries, associates and affiliates
<i>"HEPS"</i>	~ Headline earnings per share
<i>"HDIs"</i>	~ Historically disadvantaged individuals
<i>"JSE"</i>	~ JSE Securities Exchange South Africa
<i>"King II Report"</i>	~ King Report on Corporate Governance for South Africa 2002
<i>"MD"</i>	~ Managing Director
<i>"NAV"</i>	~ Net asset value
<i>"NRGP"</i>	~ National Responsible Gaming Programme
<i>"Pinnacle Point Casino"</i>	~ Pinnacle Point Casino (Pty) Limited
<i>"the previous year" or "the prior year"</i>	~ GRCR's financial year ended 31 December 2002
<i>"SA"</i>	~ South Africa
<i>"SENS"</i>	~ The JSE Stock Exchange News Service
<i>"West Coast Leisure"</i>	~ West Coast Leisure (Pty) Limited
<i>"the year"</i>	~ GRCR's financial year under review ended 31 December 2003

DEFINITIONS

Gold Reef Casino Resorts Annual Report 2003





~• DIRECTORS' STATEMENT OF RESPONSIBILITY ~•
~• DECLARATION BY COMPANY SECRETARY ~•

DIRECTORS' STATEMENT OF RESPONSIBILITY

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information of Gold Reef Casino Resorts Limited and its subsidiaries.

The annual financial statements, which are presented on pages 46 to 81, have been prepared in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the South African Companies Act, 1973. They are based on appropriate accounting policies that have been consistently applied and are supported by reasonable and prudent judgements and estimates. The directors are responsible for the preparation of the other information included in the annual report and are responsible for the accuracy and consistency of such information with the annual financial statements.

The annual financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company and the group have adequate resources to continue in operation for the foreseeable future. The annual financial statements support the viability of the company and the group.

The auditors PricewaterhouseCoopers Inc. are responsible for reporting on the fair presentation of the annual financial statements. The report of PricewaterhouseCoopers Inc. is presented on page 44.

The annual financial statements were approved by the directors on 16 April 2004 and are signed on its behalf by:



SB JOFFE
CEO



JS FRIEDMAN
FD

Johannesburg
16 April 2004

DECLARATION BY COMPANY SECRETARY

I declare that to the best of my knowledge the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the South African Companies Act, 1973 and that all such returns are true, correct and up to date.



JS FRIEDMAN CA (SA)
Company Secretary
16 April 2004



~• REPORT OF THE INDEPENDENT AUDITORS •~

GOLD REEF CASINO RESORTS LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOLD REEF CASINO RESORTS LIMITED

We have audited the annual financial statements and group annual financial statements of Gold Reef Casino Resorts Limited set out on pages 46 to 81 for the year ended 31 December 2003. These annual financial statements are the responsibility of the directors of the company. Our responsibility is to express an opinion on these annual financial statements based on our audit.

SCOPE

We conducted our audit in accordance with statements of South African Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement.

An audit includes:

- examining, on a test basis, evidence supporting the amounts and disclosures in the annual financial statements;
- assessing the accounting principles used and significant estimates made by management; and
- evaluating the overall financial statement presentation.

We believe that our audit provides a reasonable basis for our opinion.

AUDIT OPINION

In our opinion, the annual financial statements fairly present, in all material respects, the financial position of the company and the group at 31 December 2003 and the results of their operations and cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice, and in the manner required by the Companies Act in South Africa.



PRICEWATERHOUSECOOPERS INC.

Registered Accountants and Auditors

Chartered Accountants (SA)

Johannesburg

16 April 2004

REPORT OF THE INDEPENDENT AUDITORS

Gold Reef Casino Resorts Annual Report 2003



~• DIRECTORS' REPORT •~
FOR THE YEAR ENDED 31 DECEMBER 2003

NATURE OF BUSINESS

GRCR is a gaming and entertainment company. Its interests incorporate Akani Egoli which operates the Gold Reef City Casino and Theme Park; Akani Msunduzi which operates the Golden Horse Casino; West Coast Leisure which operates Casino Mykonos; Pinnacle Point Casino which operates the Garden Route Casino and Goldfields Casino which operates the Goldfields Casino.

GRCR also owns CAIGR which currently provides management services to the group's own projects with the aim of targeting independent operations in the future.

FINANCIAL RESULTS AND DIVIDEND

The annual financial results of the company and group for the year ended 31 December 2003 are set out in the annual financial statements and accompanying notes.

On 9 March 2004 the board declared a dividend of 27 cents per share covered 2,4 times by HEPS. From time to time the board will reconsider dividend cover having regard to the group's cash flow, gearing and capital requirements. The dividend was financed out of GRCR's free cash flow after servicing the debt of the group's underlying operations. (Salient dates are set out in the Shareholders' Diary incorporated in this annual report.)

SHARE CAPITAL

On 1 January 2003 the authorised share capital of the company comprised 590 000 000 ordinary shares of which 213 541 830 were issued.

As previously announced, GRCR:

- through its wholly-owned subsidiary Aldiss Investments, effected a pro-rata share repurchase of 14 235 347 shares on 31 January 2003 at a cost of R42,7 million. Aldiss Investments subsequently purchased 192 255 shares on the open market at a cost of R678 052. All shares repurchased are held as treasury stock; and
- successfully implemented an odd-lot offer to shareholders holding fewer than 200 ordinary shares on 4 July 2003. 13 501 ordinary shares were repurchased for a total cash consideration of R48 469 and cancelled, while 1 831 additional ordinary shares were issued for a total cash consideration of R6 573.

4 329 999 shares were issued to the Gold Reef Share Scheme during 2003.

At 31 December 2003 the aggregate number of ordinary shares in issue was accordingly 217 860 159.

The company's unissued shares have been placed under the control of the directors until the forthcoming annual general meeting.

DIRECTORATE

The directors of the company at the date of this annual report are set out on page 48. The number of board and committee meetings attended by each of the directors during the period 1 January 2003 to 31 December 2003 is also indicated on page 48, with the number in brackets reflecting the total number of meetings held during this period.

DIRECTORS' AND OFFICERS' INTERESTS IN CONTRACTS

The interests of directors and officers in the GRCR group's contracts are set out in note 27 to the annual financial statements.



~• DIRECTORS' REPORT (CONTINUED) •~

FOR THE YEAR ENDED 31 DECEMBER 2003

BOARD ATTENDANCE

DIRECTOR	BOARD MEETING	AUDIT COMMITTEE	REMUNERATION COMMITTEE
AJ Aaron ^{***}	5 (5)	3 (3)	3 (3)
JS Friedman (FD)	5 (5)	- -	- -
SB Joffe (CEO)	5 (5)	- -	- -
RJ Khoza [*]	3 (5)	- -	- -
A Krok ^{**}	0 (5)	- -	- -
M Krok ^{**+°} (Chairman)	5 (5)	3 (3)	3 (3)
MZ Krok ^{**+}	3 (5)	0 (3)	1 (3)
S Krok ^{**}	0 (5)	- -	- -
FP McFadden ^{**+°^}	3 (5)	1 (3)	0 (3)
C Neuberger [°] (COO)	5 (5)	- -	- -
BJ Schutte	3 (5)	- -	- -
R Vierziger ^{**°}	2 (5)	2 (3)	2 (3)

* Non-executive ** Alternate ° Austrian Citizen ^ Irish Citizen

+ Audit Committee ++ Audit Committee Chairman ° Remuneration Committee °° Remuneration Committee Chairman

In terms of the articles of association JS Friedman, SB Joffe and M Krok retire at the forthcoming annual general meeting and being eligible, offer themselves for re-election.

DIRECTORS' SHAREHOLDINGS

DIRECTOR	BENEFICIAL				NON-BENEFICIAL			
	Direct		Indirect		Direct		Indirect	
	2003	2002	2003	2002	2003	2002	2003	2002
AJ Aaron	10 000	10 000	-	-	-	-	63 283 997	63 472 369
JS Friedman	-	-	-	-	-	-	-	46 000
SB Joffe	1 099 999	794 289	-	-	-	-	102 048	102 048
RJ Khoza	27 500	27 500	170 000	27 500	-	-	-	-
A Krok	81 661	81 661	-	-	-	-	63 283 997	63 472 369
M Krok	2 063	2 063	15 500 319*	17 290 907*	-	-	47 783 678*	46 181 462*
			315 205	315 205				
MZ Krok	-	55 900	-	1 015 119°	-	-	-	1 541 332°
S Krok	-	47 134	-	-	-	-	-	2 556 451
FP McFadden	-	-	-	-	-	-	-	-
C Neuberger	-	-	-	-	-	-	-	-
BJ Schutte	-	-	12 064 267	14 061 267	-	-	-	-
R Vierziger	-	-	-	-	-	-	-	-

* Included in shareholding held non-beneficially by AJ Aaron and A Krok

° Included in shareholding held non-beneficially by S Krok

Note: Subsequent to year-end JS Friedman took delivery of 233 334 shares in terms of the Gold Reef Share Scheme.

DIRECTORS' REPORT

Gold Reef Casino Resorts Annual Report 2003



~• DIRECTORS' REPORT (CONTINUED) •~

FOR THE YEAR ENDED 31 DECEMBER 2003

DIRECTORS' REMUNERATION

DIRECTOR	DIRECTORS' FEES	BASIC REMUNERATION	OTHER SERVICES	RETIREMENT/ MEDICAL	PERFORMANCE INCENTIVES	TOTAL
	R	R	R	R	R	R
Executive						
Paid by the company						
JS Friedman	-	-	-	-	-	-
SB Joffe	-	-	-	-	-	-
BJ Schutte	-	-	-	-	-	-
C Neuberger	-	-	-	-	-	-
Paid by subsidiaries						
JS Friedman	-	618 656	-	101 344	720 000	1 440 000
SB Joffe	-	1 077 186	-	194 814	1 272 000	2 544 000
BJ Schutte	-	-	766 793	-	-	766 793
C Neuberger	-	1 200 000	-	-	720 000	1 920 000
Non-executive						
Paid by the company						
AJ Aaron	81 000	-	28 982~	-	-	109 982
RJ Khoza	30 000	-	-	-	-	30 000
M Krok	110 000	-	-	-	-	110 000
MZ Krok	33 000	-	-	-	-	33 000
F P McFadden	40 000	-	-	-	-	40 000
Paid by subsidiaries						
AJ Aaron	-	-	183 907~	-	-	183 907
RJ Khoza	40 000	-	-	-	-	40 000
M Krok	37 000	-	-	-	-	37 000
MZ Krok	5 000	-	-	-	-	5 000
FP McFadden	-	-	-	-	-	-
Alternate						
Paid by the company						
A Krok	-	-	-	-	-	-
S Krok	-	-	-	-	-	-
R Vierziger	33 000	-	-	-	-	33 000
Paid by subsidiaries						
A Krok	-	-	-	-	-	-
S Krok	-	-	-	-	-	-
R Vierziger	-	-	-	-	-	-
TOTAL	409 000	2 895 842	979 682	296 158	2 712 000	7 292 682

~ Paid to Werkmans Inc. for legal services rendered

SUBSIDIARIES, ASSOCIATES AND OTHER INVESTMENTS

Information relating to the company's financial interest in its subsidiaries, associates and other investments is set out in note 28 to the annual financial statements.

COMPANY SECRETARY

The secretary of the company is JS Friedman whose business and postal addresses, which are also the company's registered addresses, are set out on page 86 of this annual report.

DIRECTORS' REPORT

Gold Reef Casino Resorts Annual Report 2003



~• DIRECTORS' REPORT (CONTINUED) •~
FOR THE YEAR ENDED 31 DECEMBER 2003

AUDITORS

PricewaterhouseCoopers Inc. will continue in office in accordance with section 270(2) of the South African Companies Act, 1973.

SPECIAL RESOLUTIONS

The following special resolutions were passed and registered by the Registrar of Companies during the year:

- general authority for the company to effect buybacks of the company's shares on the JSE;
- general authority for the company's subsidiaries to effect buybacks of the company's shares on the JSE;
- substitution of the existing articles of association with new articles of association; and
- specific authority to repurchase the shares subject to the odd-lot offer to shareholders holding fewer than 200 shares.

No special resolutions were passed by the subsidiaries of GR CR during the year.

THE GOLD REEF SHARE SCHEME

The group operates an employee share incentive scheme. The following changes took place during the year under review:

Awards/Options at beginning of year	4 862 334
Granted	4 545 000
• Directors	2 750 000
• Staff	1 795 000
Lapsed	215 001
• Directors	-
• Staff	215 001
Exercised and delivered	1 439 999
• Directors	1 166 666
• Staff	273 333
Balance of awards/options at end of year	7 752 334

Further awards will be made to continue to incentivise staff and management and to reward commitment and performance.

The maximum number of shares that may be issued in terms of the Gold Reef Share Scheme may not in aggregate exceed 20 million shares in GR CR's issued capital. Shares vest in the option holder on the second anniversary of the date on which the option was granted. Thereafter the option holder may exercise the option/s in individual tranches of 33,3% on each subsequent anniversary.

Historical information re: directors' outstanding options at 31 December 2003 is as follows:

DIRECTOR	SHARE OPTIONS AT 1 JANUARY 2003		SHARE OPTIONS GRANTED DURING THE YEAR		SHARE OPTIONS EXERCISED AND SOLD DURING THE YEAR			SHARE OPTIONS EXERCISED AND TAKEN DELIVERY OF		SHARE OPTIONS AT 31 DECEMBER 2003	
	Number	Average Strike Price (R)	Number	Strike Price (R)	Number	Price (R)	Benefit	Number	Strike Price (R)	Number	Average Strike Price (R)
JS Friedman	533 333	1,64	750 000	3,73	-	-	-	-	-	1 283 333	2,86
SB Joffe	2 500 000	1,46	1 500 000	3,73	860 956	4,90	3 142 489	305 710	1,25	2 833 334	2,74
C Neuberger	100 000	2,50	500 000	3,73	-	-	-	-	-	600 000	3,53

Note: SB Joffe also has options in respect of 600 000 shares at R2,34 outstanding outside of the Gold Reef Share Scheme

~• INCOME STATEMENT •~
FOR THE YEAR ENDED 31 DECEMBER 2003

		GROUP		COMPANY	
	Note	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Revenue	2	903 903	787 125	-	-
Direct costs	2	(357 618)	(292 342)	-	-
Gross profit		546 285	494 783	-	-
Other operating income		2 887	-	7 509	25 507
Other operating expenses		(200 152)	(186 268)	(2 775)	(9 125)
Operating profit before depreciation and amortisation		349 020	308 515	4 734	16 382
Depreciation and amortisation	2	(89 790)	(86 467)	-	(91)
Operating profit	2	259 230	222 048	4 734	16 291
Net finance (costs)/income	4	(31 070)	(50 879)	57 705	61 239
Profit before taxation		228 160	171 169	62 439	77 530
Taxation	5	(81 925)	(56 149)	(22 256)	(18 313)
Net profit after taxation		146 235	115 020	40 183	59 217
Outside shareholders' interests		(21 166)	(13 663)	-	-
Net profit attributable to shareholders		125 069	101 357	40 183	59 217
Number of shares in issue (000)	6	217 860	213 542		
Weighted average number of shares in issue (000)	6	202 031	213 542		
HEPS (cents)	7	65,1	50,3		
EPS (cents)	6	61,9	47,5		
Diluted earnings per share (cents)	6	61,8	47,4		
Net cash generated per share in operating activities before deducting the dividend paid (cents)		141,7	103,8		
Dividend per share (cents)	8	27,0	15,0		

INCOME STATEMENT

Gold Reef Casino Resorts Annual Report 2003

~• BALANCE SHEET •~

AT 31 DECEMBER 2003

		GROUP		COMPANY	
	Note	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Assets					
Non-current assets					
Property, plant and equipment	9	865 107	866 440	-	-
Leasehold improvements	10	140 461	144 280	-	-
Intangible assets	11	84 305	81 847	-	-
Deferred tax assets	22	-	-	-	390
Investment in subsidiaries	12	-	-	84 180	84 180
Investment in associates	13	21 888	11 361	8 489	10 829
Investment in joint ventures	14	-	-	15 854	-
Loans to subsidiaries	12	-	-	504 874	459 990
Loans to joint ventures	14	23 398	-	32 012	-
Financial assets	15	1	1	1	1
Share incentive scheme	16	21 715	7 872	19 882	6 210
		1 156 875	1 111 801	665 292	561 600
Current assets					
Inventories	17	3 340	3 513	-	-
Receivables and prepayments	18	12 785	9 472	107	412
Cash and cash equivalents	19	65 791	153 365	10 759	93 750
Amounts owing by related parties	27	812	3 027	-	-
		82 728	169 377	10 866	94 162
Total assets		1 239 603	1 281 178	676 158	655 762
Equity and liabilities					
Capital and reserves					
Ordinary share capital	25	4 064	4 271	4 357	4 271
Share premium	25	437 915	465 454	481 476	465 454
Non-distributable reserves		1 611	1 774	-	-
Retained earnings		372 880	276 808	165 988	157 836
		816 470	748 307	651 821	627 561
Outside shareholders' interest					
	20	69 715	71 576	-	-
Non-current liabilities					
Interest bearing borrowings	21	98 338	262 608	-	-
Deferred tax liabilities	22	8 396	8 708	-	-
Loans from subsidiaries	12	-	-	19 305	24 096
		106 734	271 316	19 305	24 096
Current liabilities					
Trade and other payables	23	59 379	43 655	3 637	1 515
Provisions	24	23 999	12 692	-	733
Tax liabilities	26	57 057	29 926	1 395	1 857
Current portion of interest bearing borrowings	21	105 144	102 676	-	-
Amounts owing to related parties	27	1 105	1 030	-	-
		246 684	189 979	5 032	4 105
Total equity and liabilities		1 239 603	1 281 178	676 158	655 762

BALANCE SHEET

Gold Reef Casino Resorts Annual Report 2003

~• STATEMENT OF CHANGES IN EQUITY •~

FOR THE YEAR ENDED 31 DECEMBER 2003

		GROUP		COMPANY	
	Note	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Share capital					
Ordinary share capital					
At beginning of year	25	4 271	3 545	4 271	3 545
Ordinary shares issued		86	726	86	726
Ordinary shares acquired in odd-lot offer		*	-	*	-
Treasury shares acquired		(293)	-	-	-
At end of year		4 064	4 271	4 357	4 271
Share premium					
At beginning of year	25	465 454	357 340	465 454	357 340
Share premium raised		16 064	108 114	16 064	108 114
Ordinary shares acquired in odd-lot offer		(42)	-	(42)	-
Treasury shares acquired		(43 561)	-	-	-
At end of year		437 915	465 454	481 476	465 454
Total share capital at end of year					
		441 979	469 725	485 833	469 725
Non-distributable reserves					
At beginning of year		1 774	14 120	-	-
NDR released		-	(14 399)	-	-
NDR raised on consolidation of share trust		-	1 663	-	-
Transfer to retained earnings		(163)	-	-	-
NDR raised on acquisition of subsidiaries		-	390	-	-
At end of year		1 611	1 774	-	-
Retained earnings					
At beginning of year		276 808	178 398	157 836	175 234
Adjustment to outside shareholders' interest due to prior losses not recognised		-	(13 398)	-	-
Adjustment due to increased holding in subsidiaries		-	(1 760)	-	(76 615)
Prior year adjustment		-	(1 029)	-	-
Transfer from NDR		163	13 185	-	-
Share of subsidiaries' retained earnings prior to becoming subsidiaries		-	55	-	-
Attributable profit for the year		125 069	101 357	40 183	59 217
Dividend declared		(29 160)	-	(32 031)	-
At end of year		372 880	276 808	165 988	157 836

* Amount less than R1 000



~• CASH FLOW STATEMENT •~
FOR THE YEAR ENDED 31 DECEMBER 2003

		GROUP		COMPANY	
	Note	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Cash flow from operating activities					
Profit before taxation	26	228 160	171 169	62 439	77 530
Non-cash items and other adjustments	26	121 317	136 005	(58 876)	(78 252)
Cash flow from trading operations		349 477	307 174	3 563	(722)
Decrease/(increase) in working capital	26	21 044	7 983	1 694	(1 695)
Cash flow from operating activities		370 521	315 157	5 257	(2 417)
Net interest (paid)/received		(29 194)	(50 879)	57 705	61 239
Dividend paid		(29 160)	-	(29 160)	-
Taxation paid	26	(55 106)	(42 575)	(22 328)	(20 849)
Net cash generated in operating activities		257 061	221 703	11 474	37 973
Cash flow from investing activities					
Acquisition of property, plant and equipment		(39 761)	(67 400)	-	(10)
Proceeds on disposal of property, plant and equipment		3 103	2 479	-	107
Investment in joint ventures (net of cash acquired)	14	(24 219)	-	(15 854)	-
Investment in subsidiaries	12	(5 603)	(300 222)	-	-
Investment in associates		*	*	*	*
Loans to joint ventures		(26 051)	-	(22 148)	-
Loans to associates		(20 667)	(11 361)	(8 488)	(10 829)
Investment in intangibles		(59)	(381)	-	-
Net advances from/(to) subsidiaries and related parties		2 290	509	(49 675)	28 173
Net cash (utilised)/generated in investing activities		(110 967)	(376 376)	(96 165)	17 441
Cash flow from financing activities					
Ordinary shares issued		-	40	-	40
Share premium raised		-	5 960	-	5 960
Treasury shares acquired		(43 854)	-	-	-
Ordinary shares acquired in odd-lot offer		(42)	-	(42)	-
Decrease/(increase) in share incentive scheme loan		2 308	(466)	1 742	1 196
(Decrease)/increase in outside shareholders' loans		(15 768)	3 805	-	-
(Decrease)/increase in interest bearing borrowings		(176 312)	267 480	-	-
Net cash (utilised)/generated in financing activities		(233 668)	276 819	1 700	7 196
Net (decrease)/increase in cash and cash equivalents		(87 574)	122 146	(82 991)	62 610
Cash and cash equivalents at beginning of year		153 365	31 219	93 750	31 140
Cash and cash equivalents at end of year	19	65 791	153 365	10 759	93 750

* Amount less than R1 000

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES

1. BASIS OF PREPARATION

The annual financial statements and group annual financial statements have been prepared using the historical cost concept, except as disclosed in the accounting policies below, and in accordance with South African Statements of Generally Accepted Accounting Practice and the Companies Act, 1973. The principal accounting policies of the group set out below are consistent in all material aspects with those adopted in the previous year, unless otherwise stated.

2. GROUP ACCOUNTING

2.1 Subsidiary undertakings - Subsidiary undertakings, which are those entities in which the group has an interest of at least one half of the voting rights or otherwise has power to exercise control over the operations, are consolidated. Subsidiaries are consolidated from the date on which control is transferred to the group and are no longer consolidated from the date that control ceases. All inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

2.2 Associate undertakings - Investments in associate undertakings are accounted for on the equity-accounted basis. These are undertakings over which the group generally has between 20% and 50% of the voting rights, or over which the group has significant influence but which it does not control. The group's investment in associate undertakings includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associate undertaking reaches zero, unless the group has incurred obligations or guaranteed obligations in respect of the associate undertaking.

2.3 Joint venture undertakings - The group's interest in a jointly controlled entity is accounted for by proportionate consolidation. Under this method, the group includes its share of the joint venture's individual income, expenses, assets and liabilities in the relevant components of the financial statements on a line-by-line basis.

3. REVENUE RECOGNITION

Revenue includes casino winnings which are accounted for on a cash received basis. Entrance fees, theatre revenue, hotel revenue,

parking revenue, rental income, management fees and commissions and food and beverage revenue are recorded on the accrual basis.

VAT and other taxes levied on casino winnings are included in revenue and treated as direct costs as these are borne by the group and not customers. VAT on all other revenue transactions is excluded from revenue.

Other revenues earned by the group are recognised on the following bases:

- royalty income: on an accrual basis in accordance with the substance of the relevant agreement; and
- interest income: as it accrues (taking into account the effective yield on the assets) unless collectability is in doubt.

4. PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment are included at cost.

Depreciation is recorded by a charge to income computed on a straight-line basis so as to write off the assets over their expected useful lives. The expected useful lives are as follows:

Buildings	50 years
Furniture, fittings and equipment	5 years
Computer equipment	3 years

Land is not depreciated.

Theme Park rides are depreciated to a residual value taking into account a dollar-based secondary market and the fact that these assets are maintained in a constant state of good repair, such that the depreciable amount is minimal making a depreciation charge insignificant.

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in operating profit.

Borrowing costs and certain direct costs relating to major capital projects are capitalised during the period of development or construction.

5. LEASEHOLD IMPROVEMENTS

Leasehold improvements are capitalised and amortised using the straight-line method over the period of the lease.

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES (CONTINUED)

6. LEASED ASSETS

Leases of property, plant and equipment where the group assumes substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalised at the estimated present value of underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in interest bearing borrowings. The interest element of the finance charges is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leasing contracts are depreciated over the useful life of the assets.

Leases of assets under which the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease.

7. INTANGIBLE ASSETS

Expenditure on the acquisition of gaming licences is capitalised and amortised using the straight-line method over a period of 10 years.

8. GOODWILL

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net assets of the acquired undertaking at the date of acquisition. Goodwill on acquisitions of associate undertakings is included in investments in associate undertakings. Goodwill is amortised using the straight-line method over a period of 10 years.

At each balance sheet date the group assesses whether there is any indication of impairment. If such indication exists an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write-down is made if the carrying amount exceeds the recoverable amount.

9. INVENTORY

Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is the estimate of the selling price in the ordinary course of business, less selling expenses.

10. INVESTMENTS

In terms of AC133 investments are classified into the following categories: trading, held-to-maturity and available-for-sale. Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets. Investments with fixed maturity that management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets. During the year the group held neither any trading investments nor any held-to-maturity investments. Investments intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, are classified as available-for-sale and these are included in non-current assets. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

All purchases and sales of investments are recognised on the trade date, which is the date that the group commits to purchase or sell the asset. Cost of purchase includes transaction costs. Trading and available-for-sale investments are subsequently carried at fair value, whilst held-to-maturity investments are carried at amortised cost using the effective yield method. Realised and unrealised gains and losses arising from changes in the fair value of trading investments and of available-for-sale investments are included in the income statement in the period in which they arise.

11. TRADE RECEIVABLES

Receivables are carried at anticipated realisable value. An estimate is made for doubtful receivables based on a review of all outstanding amounts at year-end. Bad debts are written-off during the year in which they are identified.

12. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held on call with banks, net of bank overdrafts.

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

1. ACCOUNTING POLICIES (CONTINUED)

13. DEFERRED TAXATION

Deferred taxation is provided, using the balance sheet liability method, for all temporary differences arising between tax bases of assets and liabilities and their carrying value for financial reporting purposes. Currently enacted tax rates are used to determine deferred taxation.

Deferred taxation assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

to the employees for annual leave up to the balance sheet date. This provision has been included in the accruals balance in the balance sheet.

16. BORROWING COSTS

Interest incurred on the financing of major projects is capitalised. Such interest relates to expenditure incurred prior to the project becoming operational. An effective rate is utilised to determine the amount of borrowing costs eligible for capitalisation.

14. EMPLOYEE BENEFITS

Provident fund obligations

The group operates a defined contribution plan. The group's contribution to the defined contribution provident plan is charged to the income statement in the period to which the contribution relates.

17. GOLD REEF SHARE SCHEME

Options are granted to permanent employees at the discretion of the directors in terms of which shares in GRCR may be acquired based on prices prevailing at the dates of granting the options. Delivery of the shares so acquired is effected at future dates, which are determined at the time of granting the options. Shares acquired through the share incentive scheme have to be paid for by the employees at the subscription prices as determined in the option contracts. The company does not provide any assistance to the employees in order to purchase such shares. Shares under option, which have not yet been delivered to participants, carry no rights accruing to option holders.

15. PROVISIONS

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability

18. SEGMENTAL REPORTING

In terms of AC115, the group operates in one segment only. However, information has been disclosed on page 14 of the annual report for the individual casino operations within the group.

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

2. OPERATING PROFIT

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
The following items have been charged/(credited) in arriving at operating profit:				
Revenue				
Gaming	(790 876)	(687 891)	-	-
Theme park	(52 057)	(47 865)	-	-
Hotel	(10 721)	(5 754)	-	-
Theatre	(4 599)	(5 479)	-	-
Food and beverage	(22 430)	(20 792)	-	-
Parking	(9 889)	(10 963)	-	-
Management fees and commissions	(3 374)	(780)	-	-
Rental income	(9 027)	(5 498)	-	-
Other	(930)	(2 103)	-	-
	(903 903)	(787 125)	-	-
Direct costs				
Casino:				
- VAT	88 774	77 238	-	-
- Gaming levy	69 613	60 874	-	-
- Gaming expenses	113 928	95 283	-	-
Theme park	31 553	27 976	-	-
Hotel	10 659	5 074	-	-
Theatre	7 339	8 291	-	-
Food and beverage	20 836	4 367	-	-
Parking	6 179	6 480	-	-
Management fees and commissions	8 135	6 285	-	-
Other	602	474	-	-
	357 618	292 342	-	-
Depreciation on property, plant and equipment				
Owned	75 777	72 403	-	91
Leasehold improvements	4 265	4 321	-	-
	80 042	76 724	-	91
Amortisation of intangible assets				
Bid costs	1 540	1 567	-	-
Casino licences	788	718	-	-
Goodwill	7 320	7 358	-	-
Trademarks	100	100	-	-
	9 748	9 743	-	-

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

2. OPERATING PROFIT (CONTINUED)

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Operating lease charges				
Leasehold land and buildings	4 091	3 679	-	-
Plant, equipment and motor vehicles	1 771	322	-	-
	5 862	4 001	-	-
Auditors' remuneration				
Audit fees:				
- Current year	1 282	989	232	240
- Prior year (over)/under provision	(7)	180	-	95
Other services	556	717	49	233
	1 831	1 886	281	568
NDR released	-	(1 030)	-	-
Profit on disposal of property, plant and equipment	(1 684)	(311)	-	-
Profit on disposal of subsidiary	-	-	-	(17 104)

3. STAFF COSTS

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Salaries and wages	178 800	158 445	-	3 661
Provident fund costs - Defined contribution plan	8 395	7 596	-	328
	187 195	166 041	-	3 989
Average weekly number of employees employed by the group during the year:				
- Full time	1 600	1 730	-	7
- Part time	339	143	-	-

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

4. FINANCE COSTS

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Interest income				
- Bank	8 299	8 994	3 516	6 263
- Other	3 643	4 777	54 967	55 251
	11 942	13 771	58 483	61 514
Interest expense				
- Bank overdrafts and term loans	(30 235)	(49 129)	-	(275)
- Finance leases	(6 577)	(11 208)	-	-
- Other	(6 200)	(5 156)	(778)	-
	(43 012)	(65 493)	(778)	(275)
Finance costs capitalised	-	843	-	-
Net finance (costs)/income	(31 070)	(50 879)	57 705	61 239

5. TAXATION

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Current taxation	78 435	51 984	18 129	18 592
Secondary tax on companies	3 737	-	3 737	-
Prior year under/(over) provision	65	(2 186)	-	-
Deferred taxation	(312)	6 351	390	(279)
	81 925	56 149	22 256	18 313
The tax on the group's profit before taxation differs from the theoretical amount that would arise using the basic tax rate of SA as follows:				
Standard rate (%)	30,0	30,0	30,0	30,0
Adjusted for:				
Exempt income (%)	0,0	(0,7)	(1,0)	(6,8)
Non-deductible expenses (%)	3,8	4,3	0,6	0,4
Prior year adjustments (%)	0,9	(0,4)	0,0	0,0
Secondary tax on companies (%)	1,6	0,0	6,0	0,0
Assessed losses utilised (%)	(0,4)	(0,4)	0,0	0,0
	35,9	32,8	35,6	23,6

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

6. EARNINGS PER SHARE

	GROUP	
	2003 R'000	2002 R'000
Basic EPS is calculated by dividing the profit attributable to shareholders by the weighted average number of shares in issue during the year.		
Basic EPS		
Profit attributable to shareholders	125 069	101 357
Total number of shares in issue (000)	217 860	213 542
Weighted average number of shares in issue (000)	202 031	213 542
Basic EPS (cents)	61,9	47,5
Diluted EPS		
For diluted EPS the weighted average number of shares in issue is adjusted to assume conversion of all potentially dilutive shares.		
Profit attributable to shareholders	125 069	101 357
Adjusted for:		
Effective earnings relating to a share option in favour of SB Joffe over 600 000 shares at R2,34 per share outstanding	149	147
	125 218	101 504
Weighted average number of shares in issue (000)	202 031	213 542
Adjusted for:		
Share options outstanding (000)	600	600
	202 631	214 142
Diluted EPS (cents)	61,8	47,4

7. HEADLINE EARNINGS PER SHARE

	PROFIT BEFORE TAXATION	TAXATION	OUTSIDE SHAREHOLDERS' INTEREST	HEADLINE EARNINGS	
	R'000	R'000	R'000	2003 R'000	2002 R'000
Profit attributable to shareholders	228 160	(81 925)	(21 166)	125 069	101 357
Amortisation of goodwill	7 320	-	-	7 320	7 358
Profit on disposal of property, plant and equipment	(1 684)	505	221	(958)	(248)
Amortisation of NDR to income statement	-	-	-	-	(1 030)
	233 796	(81 420)	(20 945)	131 431	107 437
HEPS (cents)				65,1	50,3

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

8. DIVIDEND PER SHARE

Subsequent to year-end a dividend of 27 cents was declared (2002 : 15 cents). In terms of AC107 this is regarded as a non-adjusting event and will be accounted for in the 2004 annual financial statements. (Salient dates are set out in the Shareholders' Diary incorporated in this annual report.)

9. PROPERTY, PLANT AND EQUIPMENT

	FURNITURE, FITTINGS AND EQUIPMENT	COMPUTER EQUIPMENT AND SOFTWARE	LAND AND BUILDINGS	THEME PARK RIDES	TOTAL
	R'000	R'000	R'000	R'000	R'000
Group					
For the year ended 31 December 2002					
At beginning of year	55	133	-	-	188
Additions	18 520	2 421	21 788	2 065	44 794
Acquisition of subsidiaries (note 12)	182 631	18 458	604 043	90 897	896 029
Cost acquired	261 384	27 736	615 863	90 897	995 880
Accumulated depreciation acquired	(78 753)	(9 278)	(11 820)	-	(99 851)
Disposals	(2 143)	(25)	-	-	(2 168)
Depreciation	(50 908)	(9 561)	(11 934)	-	(72 403)
At end of year	148 155	11 426	613 897	92 962	866 440
At 31 December 2002					
Cost	277 919	30 348	637 651	92 962	1 038 880
Accumulated depreciation	(129 764)	(18 922)	(23 754)	-	(172 440)
Closing carrying value	148 155	11 426	613 897	92 962	866 440
For the year ended 31 December 2003					
At beginning of year	148 155	11 426	613 897	92 962	866 440
Transfers	(14 001)	14 001	-	-	-
Additions	24 367	2 516	7 674	4 758	39 315
Acquisition of joint ventures (note 14)	11 596	1 687	25 664	-	38 947
Cost acquired	13 803	2 301	26 034	-	42 138
Accumulated depreciation acquired	(2 207)	(614)	(370)	-	(3 191)
Disposals	(2 570)	-	(71)	-	(2 641)
Write-offs	-	-	(1 177)	-	(1 177)
Depreciation	(48 433)	(15 022)	(12 322)	-	(75 777)
At end of year	119 114	14 608	633 665	97 720	865 107
At 31 December 2003					
Cost	275 693	67 647	670 111	97 720	1 111 171
Accumulated depreciation	(156 579)	(53 039)	(36 446)	-	(246 064)
Closing carrying value	119 114	14 608	633 665	97 720	865 107

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

9. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	GROUP	
	2003 R'000	2002 R'000
Leased assets included above, where the group is a lessee under a finance lease, comprise furniture, fittings and equipment:		
Cost	167 607	164 404
Accumulated depreciation	(119 427)	(85 906)
Closing carrying value	48 180	78 498

10. LEASEHOLD IMPROVEMENTS

	GROUP	
	2003 R'000	2002 R'000
At beginning of year	144 280	-
Acquisition of subsidiaries	-	125 995
Additions	446	22 606
Depreciation	(4 265)	(4 321)
At end of year	140 461	144 280
Cost	150 258	149 812
Accumulated depreciation	(9 797)	(5 532)
Closing carrying value	140 461	144 280

11. INTANGIBLE ASSETS

	GOODWILL	TRADEMARKS	CASINO LICENCES	BID COSTS	TOTAL	
	R'000	R'000	R'000	R'000	2003 R'000	2002 R'000
Group						
At beginning of year	57 492	600	9 255	14 500	81 847	-
Goodwill previously included under investment in associates	-	-	-	-	-	26 949
Acquisition of subsidiaries (note 12)	-	-	-	-	-	26 359
Acquisition of joint ventures (note 14)	-	-	2 378	2 787	5 165	-
Additions	6 982	-	-	59	7 041	38 982
Bid cost refunds	-	-	-	-	-	(700)
Amortisation	(7 320)	(100)	(788)	(1 540)	(9 748)	(9 743)
At end of year	57 154	500	10 845	15 806	84 305	81 847
Cost	80 560	1 000	12 815	20 510	114 885	102 209
Accumulated amortisation	(23 406)	(500)	(1 970)	(4 704)	(30 580)	(20 362)
Closing carrying value	57 154	500	10 845	15 806	84 305	81 847

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

12. PRINCIPAL SUBSIDIARY UNDERTAKINGS

	COMPANY	
	2003 R'000	2002 R'000
Shares at cost		
Cost of investment	84 180	84 180
Loans to subsidiaries	504 874	459 990
Loans from subsidiaries	(19 305)	(24 096)
	569 749	520 074
Aggregate attributable after tax profits of subsidiaries	93 351	65 860

The loans to and from subsidiaries bear interest at a rate determined from time to time.

The following information relates to the company's interests in its subsidiaries:

NAME	COUNTRY OF INCORPORATION	LISTED/ UNLISTED	PROPORTION OWNED	ECONOMIC INTEREST	NATURE OF BUSINESS
			%	%	
Akani Egoli	South Africa	Unlisted	50,00	83,94	Gaming and entertainment
Akani Msunduzi	South Africa	Unlisted	50,00	85,00	Gaming and entertainment
West Coast Leisure	South Africa	Unlisted	54,33	54,33	Gaming and entertainment
CAIGR	South Africa	Unlisted	100,00	100,00	Management of casino interests
Akani Egoli Management	South Africa	Unlisted	64,45	64,45	Management of casino interests
Akani Msunduzi Management	South Africa	Unlisted	61,00	61,00	Management of casino interests
Aldiss Investments	South Africa	Unlisted	100,00	100,00	Investment holding

Acquisition of subsidiaries:

NAME	ECONOMIC INTEREST 31 DECEMBER 2002	ACQUIRED	ECONOMIC INTEREST 31 DECEMBER 2003	EFFECTIVE DATE OF TRANSACTION
Akani Egoli	79,75	4,19	83,94	25 November 2003
Akani Egoli Management	59,80	4,65	64,45	25 November 2003

The consideration paid for the above interests was as follows:

Akani Egoli	R'000
Akani Egoli Management	5 603
	*
	5 603

* Amount less than R1 000

In November 2003 the Gauteng Gambling Board approved the purchase from Gensec by Eglin of its 24,8% interest in Akani Leisure Investments. This transaction has increased GRCR's economic interest in Akani Egoli by 4,19%.

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

12. PRINCIPAL SUBSIDIARY UNDERTAKINGS (CONTINUED)

	2002 R'000
Analysis of net assets of associates and investments becoming subsidiaries:	
Property, plant and equipment	896 029
Intangible assets	26 359
Leasehold improvements	125 995
Inventories	3 503
Receivables and prepayments	19 763
Other current assets	11 179
Shareholders' loans	(503 465)
Other interest bearing borrowings	(65 014)
Deferred taxation	(2 468)
Trade and other payables	(51 120)
Bank overdraft	(300 222)
Provisions	(10 751)
Tax liabilities	(18 976)
Current portion of interest bearing borrowings	(32 790)
Other current liabilities	(4 334)
Net asset value	93 688
Previous equity-accounted earnings	(85 343)
Previous available-for-sale investments	1
Prior year adjustments to equity-accounted earnings	1 029
Outside shareholders' interest	(89)
Net liabilities acquired	9 286
Goodwill acquired	37 901
NDR and inherent goodwill written-off to retained income on acquisition	1 315
Purchase consideration	48 502
Net bank overdrafts acquired	300 222
Net non-cash assets purchased	348 724
Shares issued	(48 502)
Net cash outflow	300 222

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

13. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Investment in associates	*	*	*	*
Net share of results in associates	-	-	-	-
At end of year	-	-	-	-
Loans to associates	21 888	11 361	8 489	10 829
Closing carrying value	21 888	11 361	8 489	10 829
* Amount less than R1 000				
GRCR's share of equity-accounted losses from its associates in 2003 amounted to R422 686 (2002 : R647 000) after deducting pre-opening expenses of R4 904 269 (2002 : R7 136 000). This loss has not been recognised as the company is not liable for it.				
Reconciliation				
At beginning of year	11 361	524 250	10 829	524 250
Transferred to subsidiaries and joint ventures	(11 361)	(524 250)	(10 829)	(524 250)
Loans raised during the year	21 888	11 361	8 489	10 829
	21 888	11 361	8 489	10 829
Closing carrying value is analysed as follows:				
Pinnacle Point Casino	-	11 361	-	10 829
Goldfields Casino	21 888	-	8 489	-
Closing carrying value	21 888	11 361	8 489	10 829
Loans to associates is analysed as follows:				
Pinnacle Point Casino~	-	11 361	-	10 829
Goldfields Casino**	21 888	-	8 489	-
	21 888	11 361	8 489	10 829

~ The loan to Pinnacle Point Casino bears interest at prime

** The group loans to Goldfields Casino bear interest at prime and prime plus two percentage points

The company loan to Goldfields Casino bears interest at prime

The directors value the shares in the group's associate, Goldfields Casino, at their carrying value in the annual financial statements.

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

13. INVESTMENT IN ASSOCIATES (CONTINUED)

The following information relates to the group's interest in its associate:

NAME	COUNTRY OF INCORPORATION	LISTED/ UNLISTED	PROPORTION OWNED	ECONOMIC INTEREST	NATURE OF BUSINESS
			%	%	
Goldfields Casino	South Africa	Unlisted	10	10	Gaming and entertainment

The associate was acquired during the 2003 financial year.

The trading results of the associate companies, whose results are equity-accounted in the annual financial statements, are as follows:

Revenue

EBITDA

Total associate companies' retained loss for the year

The aggregate balance sheet of the associates is summarised as follows:

Property, plant and equipment

Intangible assets

Current assets

Cash

Total assets

Other interest bearing borrowings

Shareholders' loans

Net current liabilities

Total shareholders' funds

2003
R'000

2002
R'000

5 832

5 917

2 189

2 281

(3 723)~

(6 649)**

45 979

97 852

3 755

8 574

6 187

-

7 507

10 930

63 428

117 356

-

(56 811)

(42 495)

(57 307)

(24 655)

(14 212)

(3 722)

(10 974)

~ The retained loss of Goldfields Casino is after expensing pre-opening costs of R4 904 269

** The retained loss of Pinnacle Point Casino is after expensing pre-opening costs of R7 136 000

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

14. INVESTMENT IN JOINT VENTURES

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Investment in joint ventures	-	-	15 854	-
Loans to joint ventures	23 398	-	32 012	-
Closing carrying value	23 398	-	47 866	-
Reconciliation				
At beginning of year	-	-	-	-
Investments during the year	-	-	15 854	-
Loans raised during the year	23 398	-	32 012	-
	23 398	-	47 866	-
Closing carrying value is analysed as follows:				
Pinnacle Point Casino	23 398	-	42 263	-
Newshelf 698 (Pty) Limited	-	-	5 603	-
Closing carrying value	23 398	-	47 866	-
Loans to joint ventures is analysed as follows:				
Pinnacle Point Casino~	23 398	-	32 012	-
	23 398	-	32 012	-
~ The loan to Pinnacle Point Casino bears interest at prime				
Principal joint venture undertakings				
Analysis of net assets of associate becoming a joint venture:				
Property, plant and equipment	38 947	-	-	-
Intangible assets	5 165	-	-	-
Inventories	222	-	-	-
Receivables and prepayments	927	-	-	-
Cash and cash equivalents	1 428	-	-	-
Amounts owing by related parties	1 492	-	-	-
Interest bearing borrowings	(18 095)	-	-	-
Trade and other payables	(2 338)	-	-	-
Provisions	(694)	-	-	-
Current portion of interest bearing borrowings	(1 902)	-	-	-
Amounts owing to related parties	(30 016)	-	-	-
Net equity acquired	(4 864)	-	-	-
Goodwill acquired	10 514	-	-	-
Purchase consideration	5 650	-	-	-
Net bank overdraft acquired	18 569	-	-	-
Net cash outflow	24 219	-	-	-

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

15. FINANCIAL ASSETS

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
At beginning of year	1	2	1	2
Investments becoming subsidiaries during the year	-	(1)	-	(1)
At end of year	1	1	1	1

Available-for-sale investments are fair valued at the close of business on 31 December.

For investments traded in active markets, fair value is determined by reference to the JSE quoted closing prices. For other investments, fair value is estimated by reference to the current market value of similar instruments.

Available-for-sale investments are classified as non-current assets unless they are expected to be realised within twelve months of the balance sheet date or unless they need to be sold to raise operating capital.

Credit risk

The company and the group do not have a significant concentration of credit risk. From time to time derivative instruments are entered into and cash is placed with reputable financial institutions. There was no credit exposure to derivatives at year-end.

Fair values

The carrying amounts of the following financial instruments approximate their fair value:

Cash, investments, trade receivables and payables, other receivables and payables, loans to associates and joint ventures and short-term borrowings.

The investments in preference shares by the company have not been valued as they have been recorded at cost. The preference shares have not been fairly valued as it is not possible to attribute a fair value to them alone.

The investments in these preference shares have been included in the consolidation of the underlying casinos in the group's annual financial statements.

The following information relates to the group's available-for-sale investments:

NAME	NUMBER OF SHARES HELD	CARRYING VALUE	NATURE OF BUSINESS
Akani Leisure Investments**	17 050	*	Investment holding
Akani Leisure Msunduzi Investments**	1 000	*	Investment holding

* Amount less than R1 000

** This shareholding comprises preference shares only.

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

16. SHARE INCENTIVE SCHEME

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Amounts due by participants	21 715	7 872	-	-
Loan to share incentive scheme	-	-	19 882	6 210
	21 715	7 872	19 882	6 210

The Gold Reef Share Scheme was established in September 1999.

On a group level the Gold Reef Share Scheme is consolidated.

During the year 1 439 999 (2002 : 1 151 666) shares vested in and were sold on the open market by participants.

A further 4 545 000 (2002 : 89 000) shares were purchased by the Gold Reef Share Scheme Trust and allotted in 2003.

This resulted in an increase in the loan balance to R19 882 000 (2002 : R6 210 000).

17. INVENTORIES

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Operating equipment	802	1 466	-	-
Food and beverage	1 061	924	-	-
Stationery	433	372	-	-
Promotional items	140	313	-	-
Other	904	438	-	-
	3 340	3 513	-	-

18. RECEIVABLES AND PREPAYMENTS

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Trade receivables	3 653	2 571	-	412
Provision for bad debts	(2 069)	(153)	-	-
Prepayments	4 812	1 677	-	-
Sundry debtors	5 090	4 026	107	-
Other	1 299	1 351	-	-
	12 785	9 472	107	412

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FOR THE YEAR ENDED 31 DECEMBER 2003

19. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Cash at bank	42 731	182 090	10 759	93 748
Cash on hand	29 822	10 149	-	2
Bank overdrafts	72 553 (6 762)	192 239 (38 874)	10 759 -	93 750 -
	65 791	153 365	10 759	93 750

All bank balances and bank overdrafts are held under cash management for individual group companies.

20. OUTSIDE SHAREHOLDERS' INTEREST

	GROUP	
	2003 R'000	2002 R'000
Share of profits at beginning of year	27 150	-
Adjustment to outside shareholders' interest due to prior losses not recognised	-	13 398
Share of net profit in subsidiaries	21 166	13 663
Outside shareholders' loans at year-end	30 535	44 426
Acquisition of subsidiaries	(9 136)	89
At end of year	69 715	71 576
Outside shareholders' loans is analysed as follows:		
Akani Leisure Investments	15 496	27 891
The loan bears interest at prime and is unsecured with no fixed terms of repayment. In terms of the funding agreements with Nedbank a portion of the loan has been ceded in favour of the term loan.		
Club Mykonos Langebaan (Pty) Limited	11 208	12 393
R2 818 818 (2002 : R4 000 000) bears interest at prime and the remainder bears interest at 6,4%. The loan is unsecured and has no fixed terms of repayment. In terms of the funding arrangements with ABSA a portion of the loan has been ceded in favour of the term loan.		
Flexcor Thirteen (Pty) Limited	3 831	4 142
R738 888 (2002 : R1 050 000) bears interest at prime and the remainder bears interest at 6,4%. The loan is unsecured and has no fixed terms of repayment. In terms of the funding arrangements with ABSA a portion of the loan has been ceded in favour of the term loan.		
	30 535	44 426



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FOR THE YEAR ENDED 31 DECEMBER 2003

21. INTEREST BEARING BORROWINGS

	GROUP	
	2003 R'000	2002 R'000
Current		
Term loans	79 672	65 983
Finance lease liabilities	25 472	36 693
	105 144	102 676
Non-current		
Term loans	78 734	233 785
Finance lease liabilities	4 569	28 823
Loan to joint venture from funders	15 035	-
	98 338	262 608
Maturity of borrowings (excluding finance lease liabilities):		
Not later than 1 year	85 031	65 983
Later than 1 year but not later than 5 years	73 375	233 785
Later than 5 years	15 035	-
	173 441	299 768
The present value of finance lease liabilities is analysed as follows:		
Not later than 1 year	25 472	36 693
Later than 1 year but not later than 5 years	4 569	28 823
Later than 5 years	-	-
	30 041	65 516
Weighted average effective interest rates:		
Term loans (%)	10,4	15,5
Finance lease liabilities (%)	10,0	15,5
These interest bearing borrowings are at floating rates linked to prime.		

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

21. INTEREST BEARING BORROWINGS (CONTINUED)

NATURE OF SECURITY	NATURE OF BORROWINGS	AMOUNT SECURED
		R'000
Akani Egoli		
Mortgage bond over fixed property at Gold Reef City	Nedbank term loan and bank overdraft	265 000
Subordination of shareholders' loans in favour of Nedbank	Nedbank term loan and bank overdraft	265 000
Suretyship by GRRC	Nedbank term loan and bank overdraft	265 000
Notarial bond over movable assets	Wesbank finance leases	100 347
Notarial bond over Gold Reef City Theme Park rides	Wesbank finance leases	92 962
Subordination of shareholders' loans in favour of Wesbank	Wesbank finance leases	343 992
Suretyship by GRRC	Wesbank finance leases	181 000
Suretyship by Akani Leisure Investments	Wesbank finance leases	186 000
Akani Msunduzi		
Mortgage bond over Golden Horse's rights under its property lease	ABSA term loan and bank overdraft	110 000
Notarial bond over movable assets	ABSA term loan and bank overdraft	65 000
Cession of insurance policy on leasehold improvements and moveable assets	ABSA term loan and bank overdraft	269 000
Subordination of shareholders' loans in favour of ABSA	ABSA term loan and bank overdraft	110 000
Suretyship by GRRC	ABSA term loan and bank overdraft	55 000
Suretyship by Akani Leisure Msunduzi Investments and its individual consortium members	ABSA term loan and bank overdraft	55 000
West Coast Leisure		
Mortgage bond over Casino Mykonos' section in the common property scheme	ABSA term loan and bank overdraft	35 000
Notarial bond over movable assets	ABSA term loan and bank overdraft	25 000
Cession of insurance policy on fixed property and moveable assets	ABSA term loan and bank overdraft	60 000
Subordination of shareholders' loans in favour of ABSA	ABSA term loan and bank overdraft	32 208
Suretyship by GRRC	ABSA term loan and bank overdraft	17 178
Suretyship by Club Mykonos Langebaan (Pty) Limited	ABSA term loan and bank overdraft	8 589
Suretyship by Reygrande Investment Holdings (Pty) Limited	ABSA term loan and bank overdraft	3 221
Suretyship by Annford Investments (Pty) Limited	ABSA term loan and bank overdraft	3 221
Pinnacle Point Casino - Joint venture		
Mortgage bond over fixed property at Pinnacle Point Casino	Nedbank term loan and bank overdraft	20 000~
Notarial bond over movable assets	Nedbank term loan and bank overdraft	30 100~

~ This is the full value of the security. GRRC holds a 42,5% investment in the joint venture

Note: None of the borrowings of GRRC's subsidiaries exceeds their respective authorised borrowings in terms of their respective articles of association.

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FOR THE YEAR ENDED 31 DECEMBER 2003

22. DEFERRED TAXATION

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
At beginning of year	(8 708)	111	390	111
Acquisition of subsidiaries (note 12)	-	(2 468)	-	-
Current year movement	312	(6 351)	(390)	279
At end of year	(8 396)	(8 708)	-	390
The deferred taxation balance may be analysed as follows:				
Capital allowances	(17 417)	(13 339)	-	-
Provisions	10 702	4 166	-	390
Prepayments	(824)	(64)	-	-
Assessed losses	436	964	-	-
Other temporary differences	(1 293)	(435)	-	-
	(8 396)	(8 708)	-	390

Deferred taxation is calculated in full on temporary differences under the liability method using a principal tax rate of 30% (2002 : 30%).

Deferred taxation assets are recognised only to the extent that realisation of the related tax benefit is probable. The group also has tax losses of R71 073 (2002 : R1 600 000) to carry forward against taxable income, which have not been recognised in these annual financial statements.

23. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Trade payables	6 408	11 441	-	331
Accrued expenses	24 977	14 330	445	1 172
Other payables	27 994	17 884	3 192	12
	59 379	43 655	3 637	1 515

24. PROVISIONS

	GAMING PROVISIONS~	PERFORMANCE INCENTIVE PROVISIONS	OTHER	TOTAL	
	R'000	R'000	R'000	2003 R'000	2002 R'000
Group					
At beginning of year	6 473	5 113	1 106	12 692	-
Acquisition of subsidiaries (note 12)	-	-	-	-	6 913
Acquisition of joint ventures (note 14)	237	457	-	694	-
Provisions raised	2 010	6 338	2 265	10 613	5 779
At end of year	8 720	11 908	3 371	23 999	12 692
Company					
At beginning of year	-	733	-	733	-
Provisions raised	-	(733)	-	(733)	733
At end of year	-	-	-	-	733

~ Gaming provisions include casino jackpot provisions and loyalty point provisions

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25. SHARE CAPITAL

	NUMBER OF SHARES	ORDINARY SHARE CAPITAL	SHARE PREMIUM	TOTAL
	(000)	R'000	R'000	R'000
At 1 January 2002	177 262	3 545	357 340	360 885
Ordinary shares issued in 2002	36 280	726	108 114	108 840
At 31 December 2002	213 542	4 271	465 454	469 725
Ordinary shares issued in 2003	4 330	86	16 064	16 150
Ordinary shares acquired in odd-lot offer	(12)	*	(42)	(42)
Share capital of company at 31 December 2003	217 860	4 357	481 476	485 833
Treasury shares acquired by the group	(14 602)	(293)	(43 561)	(43 854)
Share capital of the group at 31 December 2003	203 258	4 064	437 915	441 979

The total authorised number of ordinary shares is 590 000 000 (2002 : 590 000 000) with a par value of 2 cents per share (2002 : 2 cents per share). All issued shares are fully paid-up.

* Amount less than R1 000

26. CASH FLOW INFORMATION

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Profit before taxation	228 160	171 169	62 439	77 530
Adjusted for:	121 317	136 005	(58 876)	(78 252)
- Net interest paid/(received)	31 070	50 879	(57 705)	(61 239)
- Depreciation	80 042	76 724	-	91
- Amortisation	9 748	9 743	-	-
- Profit on disposal of property, plant and equipment	(1 684)	(311)	-	-
- Profit on disposal of subsidiary	-	-	-	(17 104)
- Loss on discounting of financial liability	964	-	964	-
- Write-off of fixed assets	1 177	-	-	-
- Dividend received	-	-	(2 135)	-
- NDR realised	-	(1 030)	-	-
	349 477	307 174	3 563	(722)
Decrease/(increase) in working capital	21 044	7 983	1 694	(1 695)
- (Increase)/decrease in receivables	(2 387)	22 610	305	643
- Decrease/(increase) in inventories	396	(10)	-	-
- Increase/(decrease) in payables and provisions	23 035	(14 617)	1 389	(2 338)
	370 521	315 157	5 257	(2 417)
Taxation paid				
Tax liability at beginning of year	(29 926)	(4 114)	(1 857)	(4 114)
Acquisition of subsidiaries (note 12)	-	(18 976)	-	-
Current taxation	(78 500)	(49 798)	(18 129)	(18 592)
SARS interest	-	387	-	-
STC on dividend	(3 737)	-	(3 737)	-
Tax liability at end of year	57 057	29 926	1 395	1 857
	(55 106)	(42 575)	(22 328)	(20 849)

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

27. RELATED PARTY TRANSACTIONS

	GROUP	
	2003 R'000	2002 R'000
Transacted with the following related parties during the year:		
Akani Leisure Casinos	4 832	3 683
Akani Leisure Investments	4 981	1 680
Casino Association of South Africa	176	-
Casinos Austria	3 224	2 602
Club Mykonos Resort Managers (Pty) Limited	1 170	1 303
Empire Amusement Parks (Pty) Limited	673	637
Goldfields Casino	1 664	-
Reygrande Investment Holdings (Pty) Limited	337	120
South African Apartheid Museum	3 108	4 201
	20 165	14 226
Amounts owing by/(to) related parties at end of year:		
Akani Leisure Casinos	109	3 014
Akani Leisure Casinos	(59)	-
Akani Leisure Investments	539	-
Akani Leisure Msunduzi Investments	22	7
Casinos Austria	(889)	(1 030)
Casino Association of South Africa	142	-
Empire Amusement Parks (Pty) Limited	(157)	-
South African Apartheid Museum	-	6
	(293)	1 997

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

27. RELATED PARTY TRANSACTIONS (CONTINUED)

Akani Leisure Investments owns 50% of Akani Egoli. A management fee is paid to Akani Leisure Investments and Akani Leisure Casinos for services rendered in the performance of the management of Gold Reef City Casino. These transactions are carried out on commercial terms and conditions and have been approved by the board.

Akani Leisure Msunduzi Investments owns 50% of Akani Msunduzi. An amount is owed by Akani Leisure Msunduzi Investments to Akani Msunduzi Management, a subsidiary of GRRC, for expenses paid by Akani Msunduzi Management on behalf of Akani Leisure Msunduzi Investments.

Casinos Austria is a 28,9% shareholder of GRRC. Casinos Austria earned a royalty based on gross gaming revenue. This transaction was carried out on commercial terms and conditions and was approved by the board.

Club Mykonos Resort Managers (Pty) Limited provides operational services to Casino Mykonos. Payment of fees by the casino is carried out on commercial terms and conditions and has been approved by the board.

Empire Amusement Parks (Pty) Limited is owned by the Krok and Schutte families in equal proportions. BJ Schutte, S Krok, A Krok, M Krok and MZ Krok are all directors of GRRC. A management fee is paid to Empire Amusement Parks (Pty) Limited for services rendered in the performance of the management of Gold Reef City Theme Park. This transaction is carried out on commercial terms and conditions and has been approved by the board.

Reygrande Investment Holdings (Pty) Limited performs administration functions for Casino Mykonos. The administration fees payable by Casino Mykonos are carried out on commercial terms and conditions and have been approved by the board.

The South African Apartheid Museum is a Section 21 company which operates the museum adjacent to Gold Reef City Theme Park. The South African Apartheid Museum was developed by Akani Egoli as one of its casino licence conditions. Akani Egoli contributes a fixed monthly fee to fund the operational expenses of the museum.

The Casino Association of South Africa is an association not-for-gain whose members and contributors are casino operators of SA. The association was formed in order to align all licence holders' interests into one association.

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

28. SUBSIDIARIES, ASSOCIATES AND OTHER INVESTMENTS

	EFFECTIVE HOLDING (ECONOMIC INTEREST)		INVESTMENT IN SHARES (COMPANY AND GROUP)		NET INDEBTEDNESS	
	2003 %	2002 %	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Subsidiaries						
Akani Egoli	83,94	79,75	18 300	18 300	328 496	316 715
Akani Msunduzi	85,00	85,00	2 377	2 377	110 000	117 892
West Coast Leisure	54,33	54,33	*	*	22 862	25 383
CAIGR	100,00	100,00	63 501	63 501	(19 305)	(23 896)
Akani Egoli Management	64,45	59,80	1	1	-	(200)
Akani Msunduzi Management	61,00	61,00	1	1	-	-
Aldiss Investments	100,00	100,00	*	*	43 516	-
			84 180	84 180	485 569	435 894
<i>* Amount less than R1 000</i>						
Joint ventures						
Pinnacle Point Casino**	42,50	10,0	10 251	*	32 012	11 361
Newshelf 698 (Pty) Limited	50,00	-	5 603	-	-	-
			15 854	*	32 012	11 361
<i>* Amount less than R1 000</i>						
<i>** Pinnacle Point Casino was an associate in 2002</i>						
Associates						
Goldfields Casino	10,00	-	*	-	8 489	-
<i>* Amount less than R1 000</i>						
Investments						
Akani Leisure Investments**	93,39	85,00	*	*	15 496	27 892
Akani Leisure Msunduzi Investments**	100,00	100,00	*	*	-	-
Pinnacle Point Resorts (Pty) Limited	10,00	10,00	*	*	-	-
Sekunjalo Health Care Limited	0,50	0,50	-	-	-	-
			*	*	15 496	27 892

** Amount less than R1 000*

*** This shareholding comprises preference shares only*

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

29. CONTINGENCIES AND COMMITMENTS

Contingent liabilities

At 31 December 2003 the group had contingent liabilities in respect of bank and other guarantees as well as other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise.

The details are as follows:

	GROUP		COMPANY	
	2003 R'000	2002 R'000	2003 R'000	2002 R'000
Guarantees	179 526	303 508	150 195	278 198
Litigation	500	500	-	-
Capital commitments	37 000	-	-	-
	217 026	304 008	150 195	278 198

Akani Egoli has entered into an agreement with Nedbank and the Gauteng Gambling Board whereby the bank has guaranteed an agreed capital amount not exceeding R25 240 610 (2002 : R21 760 000) for gambling board taxes and working capital.

Akani Msunduzi has entered into an agreement with ABSA and the KwaZulu-Natal Gambling Board whereby the bank has guaranteed an agreed capital amount not exceeding R3 840 000 (2002 : R2 700 000) for gambling board taxes and working capital. ABSA has also issued a guarantee to the Pietermaritzburg Municipal Council for R349 500 (2002 : R349 500) on behalf of Akani Msunduzi.

West Coast Leisure has entered into an agreement with ABSA and the Western Cape Gambling and Racing Board whereby the bank has guaranteed an agreed capital amount not exceeding R250 000 (2002 : R500 000) for gambling board taxes and working capital.

Pinnacle Point Casino has entered into an agreement with Nedbank and the Western Cape Gambling and Racing Board whereby the bank has guaranteed an agreed capital amount not exceeding R250 000 for gambling board taxes and working capital.

The company has bound itself as surety for its subsidiaries Akani Egoli, Akani Msunduzi and West Coast Leisure to their bankers for 100%, 50% and 53,33% of their exposure respectively. The contingent liability under these sureties in aggregate amounted to R150 195 000 (2002 : R278 198 000).

Litigation comprises a general contingency for litigation and related costs throughout all group companies.

Operating lease commitments

The future minimum lease commitments under non-cancellable operating leases are as follows:

	GROUP	
	2003 R'000	2002 R'000
Not later than 1 year	2 037	1 928
Later than 1 year but not later than 5 years	7 381	7 230
Later than 5 years	14 189	48 937
	23 607	58 095

~• NOTES TO THE ANNUAL FINANCIAL STATEMENTS •~

FOR THE YEAR ENDED 31 DECEMBER 2003

30. DIRECTORS' EMOLUMENTS

	GROUP	
	2003 R'000	2002 R'000
Executive directors		
Basic remuneration	2 896	1 437
Retirement and medical contributions	296	239
Performance incentives	2 712	930
Other services	767	657
	6 671	3 263
Non-executive directors		
Directors' fees	409	390
Other services	213	312
	622	702
	7 293	3 965
Total directors' emoluments		
Emoluments paid by the company	323	3 905
Emoluments paid by subsidiaries	6 970	60
	7 293	3 965

Note: In 2002 GRRC employed two executive directors. In 2003 GRRC employed three executive directors.

No directors have service contracts with a notice period in excess of one year.

No directors have service contracts containing predetermined compensation for termination of service exceeding one year's salary and benefits.

A detailed breakdown of individual directors' emoluments is shown on page 50 of the annual report.

A listing of all members of the board is shown on page 48 of the annual report.

~• ANALYSIS OF SHAREHOLDERS •~
~• ANALYSIS OF STOCK EXCHANGE PERFORMANCE •~

ANALYSIS OF SHAREHOLDERS

	NUMBER OF SHAREHOLDERS	%	NUMBER OF SHARES HELD	%
Portfolio size				
1 - 1 000	286	28,95	145 689	0,07
1 001 - 5 000	366	37,04	980 218	0,45
5 001 - 10 000	139	14,07	1 054 644	0,49
10 001 - 50 000	100	10,12	2 339 805	1,07
50 001 - 100 000	30	3,04	2 201 041	1,01
100 001 - and over	67	6,78	211 138 762	96,91
	988	100,00	217 860 159	100,00
Classification				
Individuals	807	81,68	18 664 449	8,57
Public companies	52	5,26	84 888 247	38,96
Private companies	69	6,98	35 256 978	16,18
Nominee companies & trusts	41	4,15	78 070 697	35,84
Other corporate bodies	19	1,93	979 788	0,45
	988	100,00	217 860 159	100,00
Shareholder spread				
Public	976	98,79	77 651 431	35,64
Non-public	12	1,21	140 208 728	64,36
	988	100,00	217 860 159	100,00
Major shareholders owning 1% or more of the ordinary shares in issue:				
Casinos Austria			63 051 988	28,94
The Maxim Krok 1994 Trust			15 492 569	7,11
Aldiss Investments			14 427 602	6,62
Ben Schutte Familie Trust			12 064 267	5,54
The Elana Pincus 1994 Trust			11 873 732	5,45
The Shelly Krok 1994 Trust			11 873 732	5,45
Mr Mark Krok			11 523 733	5,29
The Simone Lerman Trust			11 523 732	5,29
The David Krok 1994 Trust			11 423 732	5,24
Investec Asset Managers			9 063 203	4,16
Gold Reef Share Scheme			7 752 334	3,56
Finsettle Services (Pty) Limited			4 606 748	2,11
Pictet Et Cie Banquiers			3 646 782	1,67
Old Mutual Asset Management			3 463 656	1,59
Allan Gray Asset Management			3 390 233	1,56
			195 178 043	89,58

ANALYSIS OF STOCK EXCHANGE PERFORMANCE

Number of shares traded	32 928 015
Shares traded as a percentage of listed shares in issue at 31 December 2003 (%)	15
Highest price traded (cents)	625
Lowest price traded (cents)	250
Closing market price at 31 December 2003 (cents)	601

ANALYSIS OF SHAREHOLDERS & ANALYSIS OF STOCK EXCHANGE PERFORMANCE

Gold Reef Casino Resorts Annual Report 2003

~• NOTICE OF ANNUAL GENERAL MEETING •~

GOLD REEF CASINO RESORTS LIMITED

(Registration number 1989/002108/06)

(Incorporated in the Republic of South Africa)

("GRCR" or "the company")

Share Code: GDF ISIN Code: ZAE 000028338

Notice is hereby given that the annual general meeting of shareholders of the company will be held at the offices of Gold Reef City, Gate 4 Northern Parkway, Ormonde, Johannesburg on Thursday 20 May 2004 at 10h00 for the purpose of considering, and if deemed fit, passing with or without modification, the following resolutions:

1. To consider and adopt the annual financial statements of the company and the group for the year ended 31 December 2003, together with the directors' and independent auditors' reports.
2. To re-elect individually the following as directors of the company, who retire by rotation in terms of the company's articles of association and who are eligible and offer themselves for re-election:

2.1 JS Friedman

2.2 SB Joffe

2.3 M Krok

An abbreviated curriculum vitae in respect of each director offering himself for re-election is contained on pages 8 to 10 of the annual report of which this notice forms part.

3. To re-appoint PricewaterhouseCoopers Inc. as independent auditors of the company.
4. To approve the remuneration of the directors reflected on page 50 of the annual report of which this notice forms part.

As special business, to consider and, if deemed fit, pass with or without modification, the following resolutions:

5. Ordinary resolution 1:

"RESOLVED THAT the entire authorised but unissued share capital of the company, from time to time, be placed under the control of the directors of the company until the next annual general meeting with the authority to allot and issue all or part thereof in their discretion, subject to Sections 221 and 222 of the Companies Act, 61 of 1973, as amended, and the Listing Requirements of the JSE Securities Exchange South Africa."

6. Ordinary resolution 2:

"RESOLVED THAT, pursuant to the articles of association of the company, the directors of the company be and are hereby authorised, until the next annual general meeting of the company (whereupon

this authority shall lapse, unless it is renewed at the aforementioned annual general meeting, provided that it shall not extend beyond 15 months from the date of this annual general meeting), to allot and issue ordinary shares for cash subject to the Listing Requirements of the JSE Securities Exchange South Africa ("JSE") and the Companies Act, 61 of 1973, as amended, on the following bases:

- a) the allotment and issue of ordinary shares for cash shall be made only to persons qualifying as public shareholders as defined in the Listings Requirements of the JSE, and not to related parties;
- b) the number of ordinary shares issued for cash shall not in the aggregate in any one financial year of the company (commencing 1 January 2004) exceed 15% of the company's issued ordinary shares. The number of ordinary shares which may be issued for cash shall be based on the number of ordinary shares in issue at the date of the application, less any ordinary shares issued by the company during the current financial year, provided that any ordinary shares to be issued for cash pursuant to a rights issue (announced and irrevocable and underwritten) or acquisition (concluded up to the date of application) may be included as though they were ordinary shares in issue at the date of application;
- c) the maximum discount at which ordinary shares may be issued for cash is 10% of the weighted average traded price on the JSE of those ordinary shares over 30 days prior to the date that the price of the issue is determined by the directors of the company;
- d) after the company has issued ordinary shares for cash which represent, on a cumulative basis within a financial year, 5% or more of the number of ordinary shares in issue prior to that issue, the company shall publish an announcement containing full details of the issue, including the effect of the issue on the net asset value and earnings per share of the company; and
- e) the securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights as are convertible into a class already in issue".

Note: *In terms of the Listings Requirements of the JSE, a 75% majority of the votes cast by shareholders present or represented by proxy at the annual general meeting must be cast in favour of ordinary resolution 2 for it to be approved.*

7. Special resolution 1:

"RESOLVED THAT the company approves, as a general approval contemplated in Sections 85 and 89 of the Companies Act, 61 of 1973,

~• NOTICE OF ANNUAL GENERAL MEETING •~

GOLD REEF CASINO RESORTS LIMITED

GOLD REEF CASINO RESORTS LIMITED

as amended ("the Act"), the acquisition by the company (or by a subsidiary of the company) of ordinary shares issued by the company on such terms and conditions and in such amounts as the directors of the company may decide, but subject always to the provisions of the Act and the Listings Requirements of the JSE Securities Exchange South Africa ("JSE"), which general approval shall endure until the forthcoming annual general meeting of the company (whereupon this approval shall lapse unless it is renewed at the aforementioned annual general meeting), provided that it shall not extend beyond 15 months from the date of registration of this special resolution, subject to the following limitations:

- a) the repurchase of securities is implemented through the order book of the JSE trading system, without any prior understanding or arrangement between the company and the counter party;
- b) the company is authorised thereto by its articles of association;
- c) the general repurchase by the company is limited to a maximum of 20% in aggregate of the company's issued share capital in any one financial year;
- d) the general repurchase by the subsidiaries of the company is limited to a maximum of 10% in aggregate of the company's issued share capital in any one financial year;
- e) the repurchase is not made at a price greater than 10% above the weighted average of the market value for the securities for the five business days immediately preceding the date on which the transaction was effected;
- f) the repurchase does not take place during a prohibited period as defined in paragraph 3.67 of the Listings Requirements of the JSE;
- g) the company publishes an announcement after it or its subsidiaries has cumulatively acquired 3% of the number of ordinary shares in issue at the time that the shareholders' authority for the purchase is granted and for each 3% in aggregate of the initial number acquired thereafter;
- h) the company and the group are in a position to repay their debt in the ordinary course of business for the following year;
- i) the consolidated assets of the company, being fairly valued in accordance with Generally Accepted Accounting Practice, are in excess of the consolidated liabilities of the company for the following year;
- j) the ordinary capital and reserves of the company and the group are adequate for the next twelve months;

k) the available working capital is adequate to continue the operations of the company and the group in the following year;

- l) upon entering the market to proceed with the repurchase, the company's sponsor has complied with its responsibilities contained in Schedule 25 of the Listings Requirements of the JSE;
- m) the company remains in compliance with paragraphs 3.37 to 3.41 of the Listings Requirements of the JSE concerning shareholder spread after such repurchase; and
- n) the company appoints only one agent to effect any repurchases on its behalf."

The **reason for and effect of** special resolution 1 is to authorise the company and its subsidiaries, by way of general approval, to acquire the company's issued ordinary shares, on terms and conditions and in amounts to be determined by the directors of the company, subject to certain statutory provisions and the Listings Requirements of the JSE.

Directors' statement regarding the utilisation of the authority sought

The directors of the company ("the board") have no immediate intention to use this authority to purchase the ordinary shares of the company. However, the board is of the opinion that this authority should be in place should it be appropriate to undertake a share repurchase during the currency of the authority.

Other disclosure in terms of Section 11.26 of the Listings Requirements of the JSE

The following additional information, some of which may appear elsewhere in the annual report of which this notice forms part, is provided in terms of the Listings Requirements of the JSE for purposes of this general authority:

- Directors and management - pages 8 to 12;
- Major beneficial shareholders - page 82;
- Directors' interests in ordinary shares - page 48;
- Share capital of the company - pages 46 and 76.

Litigation Statement

The directors of the company whose names appear on page 48 of the annual report of which this notice forms part, are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the recent past (being at least the previous 12 months) a material effect on the group's financial position.

~• NOTICE OF ANNUAL GENERAL MEETING •~

GOLD REEF CASINO RESORTS LIMITED

GOLD REEF CASINO RESORTS LIMITED

Directors' responsibility statement

The directors whose names appear on page 48 of the annual report, collectively and individually accept full responsibility for the accuracy of the information pertaining to this 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 special resolution contains all information required by the Act and the Listing Requirements of the JSE.

Material changes

Other than the facts and developments reported on in the annual report, there have been no material changes in the affairs or financial position of the company and its subsidiaries since the date of signature of the audit report and up to the date of this notice.

VOTING AND PROXIES

A shareholder of the company entitled to attend, speak and vote at the annual general meeting is entitled to appoint a proxy or proxies to attend, speak and on a poll to vote in his stead. The proxy need not be a shareholder of the company. A form of proxy is attached for the convenience of any certificated shareholder and own-name registered dematerialised shareholder who cannot attend the annual general meeting but who wishes to be represented thereat.

On a show of hands, every shareholder of the company present in person or represented by proxy shall have one vote only. On a poll, every shareholder of the company present in person or represented by proxy shall have one vote for every share held in the company by such shareholder.

Forms of proxy may also be obtained on request from the company's registered office. The completed forms of proxy must be deposited at, posted or faxed to the transfer secretaries at the address below, to be received by no later than 10h00 on Tuesday 18 May 2004. Any member who completes and lodges a form of proxy will nevertheless be entitled

to attend and vote in person at the annual general meeting should the member subsequently decide to do so.

Shareholders who have dematerialised their ordinary shares through a Central Securities Depository Participant ("CSDP") or broker, other than own-name registered dematerialised shareholders, and who wish to attend the annual general meeting must request their CSDP or broker to issue them with a letter of representation.

Should shareholders who have dematerialised their ordinary shares, other than own-name registered dematerialised shareholders, wish to be represented thereat they must provide their CSDP or broker with their voting instructions in terms of the custody agreement entered into between the dematerialised shareholders and their CSDP or broker in the manner and timeframe stipulated therein.

By order of the board.

JS FRIEDMAN CA (SA)

Company Secretary

16 April 2004

REGISTERED OFFICE

Gold Reef City

Gate 4

Northern Parkway

Ormonde

2091

(Private Bag X1890, Gold Reef City, 2159)

TRANSFER SECRETARIES

Ultra Registrars (Pty) Limited

5th Floor

11 Diagonal Street

Johannesburg

2001

(PO Box 4844, Johannesburg, 2000)



~• SHAREHOLDERS' DIARY •~
~• CORPORATE INFORMATION •~

Financial year-end	31 December
Annual General Meeting	20 May 2004

REPORTS

Interim for six months to June	September
Preliminary annual results	March
Annual financial statements	May

DIVIDEND 2003

Salient dates for the dividend were as follows:

Last day to trade 'cum' dividend	Friday 26 March 2004
Shares trade 'ex' dividend	Monday 29 March 2004
Record Date	Friday 2 April 2004
Payment Date	Monday 5 April 2004

CORPORATE INFORMATION

COMPANY SECRETARY AND REGISTERED OFFICE

JS Friedman CA (SA)
Gold Reef City
 Gate 4
 Northern Parkway
 Ormonde
 2091
 (Private Bag X1890, Gold Reef City, 2159)

SPONSOR

Nedbank Capital
 F Block
 135 Rivonia Road
 Sandton 2196
 (PO Box 1144, Johannesburg 2000)

ATTORNEYS

Werksmans Inc.
 155 5th Street
 Sandown
 Sandton 2196
 (Private Bag 10015, Sandton 2146)

CORPORATE ADVISORS

Edward Nathan & Friedland (Pty) Limited
 4th Floor, The Forum
 2 Maude Street
 Sandown 2196
 (P O Box 783347, Sandton 2146)

AUDITORS

PricewaterhouseCoopers Inc.
 Registered Accountants and Auditors
 Chartered Accountants (SA)
 2 Eglin Road
 Sunninghill
 (Private Bag X36, Sunninghill 2157)

TRANSFER SECRETARIES

Ultra Registrars (Pty) Limited
 5th Floor
 11 Diagonal Street
 Johannesburg 2001
 (PO Box 4844, Johannesburg 2000)

COMMERCIAL BANKERS

Nedbank
 1st Floor Corporate Park
 Nedcor Sandton
 135 Rivonia Road
 Sandown 2196
 (PO Box 1144, Johannesburg 2000)

ABSA Business Centre

Sandown Village Office Park
 61 Gwen Lane
 Sandown
 2146
 (PO Box 78299, Sandton 2146)

~• FORM OF PROXY •~
GOLD REEF CASINO RESORTS LIMITED

(Registration number 1989/002108/06)

(Incorporated in the Republic of South Africa)

("GRCR" or "the company")

Share Code: GDF ISIN Code: ZAE 000028338

For use by GRCR ordinary shareholders at the annual general meeting of the company to be held at the offices of Gold Reef City, Gate 4 Northern Parkway, Ormonde, Johannesburg on Thursday 20 May 2004 at 10h00 and at any adjournment thereof.

For use by the holders of the company's certificated ordinary shares ("certificated shareholders") and/or dematerialised ordinary shares held through a Central Securities Depository Participant ("CSDP") or broker who have selected own-name registration ("own-name dematerialised shareholders").

Not for the use by holders of the company's dematerialised ordinary shares who have not selected own-name registration. Such shareholders must contact their CSDP or broker timeously if they wish to attend and vote at the annual general meeting and request that they be issued with the necessary authorisation to do so, or provide the CSDP or broker timeously with their voting instructions should they not wish to attend the annual general meeting in order for the CSDP or broker to vote in accordance with their instructions.

I/We being a member / members of GRCR and holding 1. 2. 3. the chairman of the annual general meeting, as my/our proxy to act for me/us and on my/our behalf at the annual general meeting which will be held for the purpose of considering and, if deemed fit, passing, with or without modification, the special and ordinary resolutions to be proposed thereat and at any adjournment thereof; and to vote for and/or against the special and ordinary resolutions and/or abstain from voting in respect of the GRCR ordinary shares registered in my/our name(s), in accordance with the following instructions:	of ordinary shares in the company, hereby appoint of or failing him/her of or failing him/her
---	--

** Please indicate with an "X" in the appropriate spaces below how you wish your votes to be cast.*

	NUMBER OF VOTES	FOR*	AGAINST*	ABSTAIN*
1. Adoption of the annual financial statements				
2. Re-election of JS Friedman				
Re-election of SB Joffe				
Re-election of M Krok				
3. Approval of directors' remuneration				
4. Re-appointment of PricewaterhouseCoopers Inc. as auditors				
3. Ordinary resolution 1: to place unissued shares under directors' control				
4. Ordinary resolution 2: to issue unissued shares for cash				
5. Special resolution 1: to grant general authority to GRCR and its subsidiaries to buy back shares				
Unless otherwise instructed, my/our proxy may vote as he/she thinks fit.				
Signed at (place)	on (date)	2004	Member's signature	

Please read the notes on the reverse side.

~• FORM OF PROXY •~
GOLD REEF CASINO RESORTS LIMITED

NOTES:

1. Each member is entitled to appoint one or more proxies (who need not be a member(s) of the company) to attend, speak and, on a poll, vote in place of that member at the annual general meeting.
2. A member may insert the name of a proxy or the names of two alternative proxies of the member'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.
3. A member's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by that member in the appropriate box(es) provided. Failure to comply with the above will be deemed to authorise the chairman of the annual general meeting, if the chairman is the authorised proxy, to vote or abstain from voting in favour of the ordinary and special resolutions proposed at the annual general meeting, or any other proxy to vote or to abstain from voting in favour of the ordinary and special resolutions proposed at the annual general meeting as he/she deems fit in respect of all the member's votes exercisable thereat.
4. A member or his/her proxy is not obliged to vote in respect of all the ordinary shares held by such member or represented by such proxy, but the total number of votes for or against the ordinary and special resolutions and in respect of which any abstention is recorded may not exceed the total number of votes to which the member or his/her proxy is entitled.
5. Documentary evidence establishing the authority of a person signing this form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the company's transfer secretaries or waived by the chairman of the annual general meeting.
6. The chairman of the annual general meeting may reject or accept any form of proxy which is completed and/or received other than in accordance with these instructions, provided that he is satisfied as to the manner in which a member wishes to vote.
7. Any alterations or corrections to this form of proxy must be initialled by the signatory(ies).
8. The completion and lodging of this form of proxy will not preclude the relevant member from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed, should such member wish to do so.
9. A minor must be assisted by his/her parent or guardian unless the relevant documents establishing his/her legal capacity are produced or have been registered by the company's transfer secretaries.
10. Where there are joint holders of any shares, only that holder whose name appears first in the register in respect of such shares need sign this form of proxy.
11. Forms of proxy must be lodged with the transfer secretaries at the address given below by no later than 10h00 on Tuesday 18 May 2004:
Ultra Registrars (Pty) Limited
5th Floor
11 Diagonal Street
Johannesburg
2001
(PO Box 4844, Johannesburg, 2000)
12. This form of proxy is to be completed only by those members who are:
 - holding shares in a certificated form; or
 - recorded in the sub-register in electronic form in their "own name"
13. Members who have dematerialised their shares and wish to attend the annual general meeting must contact their Central Securities Depository Participant ("CSDP") or broker who will furnish them with the necessary authority to attend the annual general meeting, or they must instruct their CSDP or broker as to how they wish to vote in this regard in terms of the agreement entered into between the members and their CSDP or broker.

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nce shareholder value.**

