



LA CONCORDE

Registration number: 2009/012871/06

LA CONCORDE HOLDINGS LIMITED

**UNAUDITED GROUP
INTERIM RESULTS**

for the six months ended
30 September 2018

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2018

	Notes	Unaudited		Audited
		30 September 2018 R'000	30 September 2017** R'000	31 March 2018 R'000
ASSETS				
Non-current assets		315 657	554 952	283 682
Property, plant and equipment		3 307	24 630	3 598
Investment properties	3	263 622	68 357	262 758
Intangible assets		236	160	195
Investment in associate		18 032	15 263	17 131
Other financial asset	4	30 460	-	-
Non-current receivables		-	446 542	-
Current assets		54 135	737 287	105 795
Inventories		117	-	117
Trade and other receivables		4 523	3 130	6 033
Loans receivable		792	210 148	792
Cash and cash equivalents		48 703	524 009	98 853
Non-current asset held for sale	6	-	-	855 273
Total assets		369 792	1 292 239	1 244 750
EQUITY AND LIABILITIES				
Equity		298 314	1 258 314	1 161 396
Ordinary share capital		1	1	1
Share premium		420 711	425 722	425 722
Other reserves		896 769	787 230	896 769
Accumulated (losses)/profits		(1 019 167)	45 361	(161 096)
Non-current liabilities		53 451	16 301	53 451
Deferred taxation	5	53 451	16 301	53 451
Current liabilities		18 027	17 624	29 903
Trade and other payables		15 544	4 863	16 686
Loans from group companies		-	243	-
Taxation		2 483	12 518	13 217
Total equity and liabilities		369 792	1 292 239	1 244 750

** Restated refer to Note 7

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2018

	Unaudited		Audited
	30 September 2018 R'000	30 September 2017** R'000	31 March 2018 R'000
Revenue	9 114	7 541	16 480
Fair value adjustment	(18 207)	-	23 500
Investment income	2 242	47 034	79 907
Operating expenses	(11 739)	(10 327)	(22 307)
Depreciation and amortisation	(852)	(645)	(1 290)
Operating (loss)/profit	(19 442)	43 603	96 290
Share of equity accounted earnings	1 327	2 056	3 925
Finance costs	-	(7)	(7)
(Loss)/profit before taxation	(18 115)	45 652	100 208
Taxation	(255)	(12 818)	(26 688)
(Loss)/profit for the period	(18 370)	32 834	73 520
Other comprehensive income			
Gains on revaluation of land and buildings	-	-	109 539
Total comprehensive (loss)/income for the period	(18 370)	32 834	183 059
Earnings per share			
Number of shares issued	68 980	68 980	68 980
Treasury shares	(979)	(979)	(979)
Shares repurchased	(288)		
Used in the calculation of earnings per share	67 713	68 001	68 001
	Cents	Cents	Cents
Earnings per share			
Basic and diluted earnings	(27,1)	48,2	108,1

** Restated refer to Note 7

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2018

	Unaudited		Audited
	30 September 2018 R'000	30 September 2017** R'000	31 March 2018 R'000
Ordinary share capital			
Balance at beginning and end of the period	1	1	1
Share premium			
Balance at beginning of the period	425 722	425 722	425 722
Shares repurchased	(5 011)	-	-
Balance at end of the period	420 711	425 722	425 722
Other reserves			
<i>Common control reserve</i>			
Balance at beginning and end of the period	787 230	787 230	787 230
<i>Revaluation reserve</i>			
Balance at beginning of the period	109 539	-	-
Revaluation	-	-	109 539
Balance at end of the period	109 539	-	109 539
Total other reserves at end of the period	896 769	787 230	896 769
Accumulated (losses)/profits			
Restated balance at beginning period	(161 096)	80 528	80 528
Balance at beginning period	(161 096)	28 222	28 222
Restatement	-	52 306	52 306
Net (loss)/profit attributable to ordinary shareholders	(18 370)	32 408	73 520
Dividends	(839 701)	(68 001)	(315 144)
Balance at end of the period	(1 019 167)	45 361	(161 096)
Equity at end of the period	298 314	1 258 314	1 161 396

** Restated refer to Note 7

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2018

	Unaudited		Audited
	30 September 2018 R'000	30 September 2017 R'000	31 March 2018 R'000
Cash flows from operating activities			
Net cash from operating activities	(10 352)	(65 013)	(45 306)
Cash utilised by operations	(2 600)	(2 785)	(3 503)
Changes in working capital	2 801	(2 555)	204 957
Cash generated/(utilised) by operating activities	201	(5 340)	201 454
Investment income	2 242	21 311	79 907
Finance costs	-	(7)	(7)
Dividends paid	(1 806)	(66 557)	(24 399)
Taxation paid	(10 989)	(14 420)	(302 261)
Cash flows from investing activities	(34 787)	(3 129)	(447 749)
Investment in associate	426	264	264
Additions to investment property	(1 425)	-	(11 274)
Additions to property, plant and equipment	(206)	(3 402)	(1 395)
Proceeds on disposal of property, plant and equipment	238	9	7
Intangible assets acquired	(69)	-	(105)
Investment in other financial asset	(33 751)	-	(856 065)
Loans receivable disposal	-	-	420 819
Cash flows from financing activities	(5 011)	243	-
Increase in loans from group companies	-	243	-
Ordinary shares repurchased	(5 011)	-	-
Cash and cash equivalents			
Movements	(50 150)	(67 899)	(493 055)
At beginning of period	98 853	591 908	591 908
At end of period	48 703	524 009	98 853

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2018

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the six months ended 30 September 2018 have been prepared in accordance with International Financial Reporting Standards (IFRS), IAS 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act, No. 71 of 2008 (as amended). The accounting policies of the group are consistent with those applied for the year ended 31 March 2018. The adoption of new standards that are applicable for this financial year had no impact on the figures presented. Details of the standards adopted will be provided in the annual financial statements. These financial statements were prepared under the supervision of the financial director, Mr AF Pereira CA(SA).

2. SEGMENTS

The group is an investment company and no separately identifiable operating segments exist, other than the income received from the property rentals of which the financial effects are disclosed in the financial statements.

	Unaudited		Audited
	30 September 2018 R'000	30 September 2017** R'000	31 March 2018 R'000
3. INVESTMENT PROPERTIES			
Investment properties consist of:			
Investment properties at fair value	263 622	68 357	262 758
Reconciliation of carrying value			
At the beginning of the period	262 758	68 357	68 357
Fair value adjustments	-	-	23 500
Transfer from property, plant and equipment	-	-	159 626
Additions	864	-	11 275
At the end of the period	263 622	68 357	262 758

** *Restated*

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2018

	Unaudited		Audited
	30 September 2018 R'000	30 September 2017 R'000	31 March 2018 R'000
4. OTHER FINANCIAL ASSETS			
Financial assets carried at fair value through profit or loss			
Equity securities	30 460	-	-
Current portion	-	-	-
Non-current portion	30 460	-	-
	30 460	-	-
5. DEFERRED TAX			
Movements in deferred taxation			
At the beginning of the period	(53 451)	(15 992)	(15 992)
Asset revaluations	-	-	(31 709)
Accelerated tax allowances	-	-	(5 400)
Provisions and accruals	-	-	(350)
At the end of the period	(53 451)	(15 992)	(53 451)
Analysis of deferred taxation			
Accelerated tax allowances	(6 308)	(908)	(6 308)
Fair value adjustments	(46 808)	(15 099)	(46 808)
Provisions and accruals	(278)	72	(278)
Assessed losses	(57)	(57)	(57)
	(53 451)	(15 992)	(53 451)
Composition of deferred taxation			
Deferred taxation assets	-	-	-
Deferred taxation liabilities	(53 451)	(15 992)	(53 451)
	(53 451)	(15 992)	(53 451)

	Unaudited		Audited
	30 September 2018 R'000	30 September 2017 R'000	31 March 2018 R'000
6. NON-CURRENT ASSETS HELD FOR SALE			
Disposal group assets classified as held for sale	-	-	855 273

Investment in HPL&R disposed of through dividend in specie during April 2018

7. CHANGE IN ACCOUNTING POLICY

The group changed the accounting policy of investment properties from the cost to fair value model to align treatment with that of its holding company.

Investment property is recognised at fair value at the end of the reporting period.

The aggregate effect of the change in accounting policy on the condensed consolidated financial statements for the period ended 30 September 2017 is as follows:

	Unaudited		Restated 30 September 2017 R'000
	Previously stated 30 September 2017 R'000	Adjustment	

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Non-current assets

Property, plant and equipment	23 895	735	24 630
Investment properties	952	67 405	68 357

Equity

Accumulated (losses)/ profits	(7 371)	52 732	45 361
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Non-current liabilities

Deferred tax	893	15 408	16 301
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NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2018

	Unaudited		
	Previously stated 30 September 2017 R'000	Adjustment	Restated 30 September 2017 R'000
7. CHANGE IN ACCOUNTING POLICY (continued)			
CONSOLIDATED STATEMENT OF PROFIT OR LOSS			
Depreciation and amortisation	(1 380)	735	(645)
Taxation	(12 509)	(309)	(12 818)
Earnings per share (cents)			
Basic and diluted earnings	47,7	0,5	48,2

8. EVENTS AFTER REPORTING PERIOD

No material events which may have a significant influence on the financial position of the group occurred between the date of the financial period and the date of approval of the financial statements.

9. DIVIDENDS

The group's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board may pass on the payment of dividends. On 13 April 2018 the group declared a dividend in specie of 1.59466 Hosken Passenger Logistics and Rail Limited shares per 1 La Concorde Holdings Limited share.

Due to reduced liquidity in the group and potential future property developments, the board has resolved not to declare an interim dividend.

COMMENTARY FROM THE CHIEF EXECUTIVE OFFICER

The assets of La Concorde mainly comprise property, art and cash and cash equivalents.

The group concluded the Hosken Passenger Logistics and Rail Limited (HPL&R) unbundling through a distribution of its shares in HPL&R to its shareholders. On 13 April 2018 the group declared a dividend in specie of 1.59466 HPL&R shares per 1 La Concorde Holdings Limited share.

During the period the income generated mainly consisted of interest income from cash and cash equivalents, rental income and recoveries of utilities and operating expenses.

Operating expenses mainly consist of utility expenses, management fees, salaries and repairs and maintenance required for the management of the properties.

The fair value adjustment on HPL&R shares retained was mainly attributable to adverse market conditions.

The group is continuing its efforts to extract value from its properties, either by developing on their own, or by partnering with other established developers.

Signed on behalf of the board of directors



Yunis Shaik
Chief executive officer

Paarl
21 November 2018



DIRECTORS

JA Copelyn, Y Shaik, AF Pereira

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

REGISTERED OFFICE

La Concorde Building, 57 Main Street, Paarl, 7646

WEBSITE

www.laconcordeholdings.co.za

TRANSFER SECRETARIES

Computershare Investor Services