



# LA CONCORDE

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Registration number: 2009/012871/06

**LA CONCORDE HOLDINGS LIMITED**

**GROUP INTERIM REPORT**

(unaudited) for the six months  
ended 30 September 2017

# STATEMENT OF FINANCIAL POSITION

as at 30 September 2017

|   | Unaudited                     | Audited                       |                           |
|---|-------------------------------|-------------------------------|---------------------------|
|   | 30 September<br>2017<br>R'000 | 30 September<br>2016<br>R'000 | 31 March<br>2017<br>R'000 |
| <b>ASSETS</b>                               |                               |                               |                           |
| <b>Non-current assets</b>                   | <b>486 812</b>                | 38 762                        | 457 284                   |
| Property, plant and equipment               | <b>23 895</b>                 | 25 343                        | 21 866                    |
| Investment properties                       | <b>952</b>                    | -                             | 953                       |
| Intangible assets                           | <b>160</b>                    | -                             | 176                       |
| Investment in associates and joint ventures | <b>15 263</b>                 | 13 419                        | 13 470                    |
| Loans receivable                            | <b>446 542</b>                | -                             | 420 819                   |
| <b>Current assets</b>                       | <b>737 287</b>                | 89                            | 803 499                   |
| Trade and other receivables                 | <b>3 130</b>                  | -                             | 1 443                     |
| Loans receivable                            | <b>210 148</b>                | -                             | 210 148                   |
| Taxation                                    | <b>-</b>                      | 89                            | -                         |
| Cash and cash equivalents                   | <b>524 009</b>                | -                             | 591 908                   |
| Disposal group                              | <b>-</b>                      | 1 391 925                     | -                         |
| <b>Total assets</b>                         | <b>1 224 099</b>              | 1 430 776                     | 1 260 783                 |
| <b>EQUITY AND LIABILITIES</b>               |                               |                               |                           |
| <b>Equity</b>                               | <b>1 205 582</b>              | 1 211 415                     | 1 241 175                 |
| Share capital                               | <b>1</b>                      | 1                             | 1                         |
| Share premium                               | <b>425 722</b>                | 425 722                       | 425 722                   |
| Reserves                                    | <b>779 859</b>                | 785 692                       | 815 452                   |
| <b>Non-current liabilities</b>              | <b>893</b>                    | 3 757                         | 893                       |
| Deferred taxation                           | <b>893</b>                    | 3 757                         | 893                       |
| <b>Current liabilities</b>                  | <b>17 624</b>                 | 3 924                         | 18 715                    |
| Trade and other payables                    | <b>4 863</b>                  | 3 924                         | 4 287                     |
| Loans from group companies                  | <b>243</b>                    | -                             | -                         |
| Taxation                                    | <b>12 518</b>                 | -                             | 14 428                    |
| Disposal group                              | <b>-</b>                      | 211 680                       | -                         |
| <b>Total equity and liabilities</b>         | <b>1 224 099</b>              | 1 430 776                     | 1 260 783                 |

# STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2017

|   | Unaudited                     |                               | Audited                   |
|---|-------------------------------|-------------------------------|---------------------------|
|   | 30 September<br>2017<br>R'000 | 30 September<br>2016<br>R'000 | 31 March<br>2017<br>R'000 |
| Revenue   | 4 402                         | 1 992                         | 5 345                     |
| Other income  | 3 139                         | -                             | 2 810                     |
| Operating expenses  | (10 327)                      | (7 985)                       | (15 309)                  |
| Depreciation and<br>amortisation  | (1 380)                       | (755)                         | (2 157)                   |
| Share of profit of associates   | 2 056                         | 731                           | 736                       |
| Investment income   | 47 034                        | -                             | 46 818                    |
| Impairment of assets  | -                             | -                             | (1 775)                   |
| Finance costs   | (7)                           | -                             | (5)                       |
| Profit/(loss) before taxation   | 44 917                        | (6 017)                       | 36 463                    |
| Taxation  | (12 509)                      | 1 889                         | (10 925)                  |
| <b>Profit/(loss) for the period<br/>from continuing operations</b>                      | <b>32 408</b>                 | <b>(4 128)</b>                | <b>25 538</b>             |
| Net result from discontinued<br>operations  | -                             | (79 269)                      | (79 175)                  |
| Profit/(loss) for the period  | 32 408                        | (83 397)                      | (53 637)                  |
|   | <b>Cents</b>                  | <b>Cents</b>                  | <b>Cents</b>              |
| <b>Earnings per share</b><br><i>(Attributable to equity<br/>holders of the company)</i> |                               |                               |                           |
| - Basic earnings  | 47,7                          | (122,5)                       | (78,9)                    |
| - Headline earnings   | 47,7                          | 62,5                          | 107,2                     |

# STATEMENT OF CASH FLOWS

for the six months ended 30 September 2017

|   | Unaudited                     |                               | Audited                   |
|---|-------------------------------|-------------------------------|---------------------------|
|   | 30 September<br>2017<br>R'000 | 30 September<br>2016<br>R'000 | 31 March<br>2017<br>R'000 |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>            | <b>1 544</b>                  | 29 015                        | 44 993                    |
| Cash (utilised) generated by operations               | (2 785)                       | 15 651                        | 11 301                    |
| Changes in working capital                            | (2 555)                       | 14 354                        | 13 692                    |
| Cash (utilised) generated by operating activities     | (5 340)                       | 30 005                        | 24 993                    |
| Investment income                                     | 21 311                        | 411                           | 21 398                    |
| Finance costs   | (7)                           | (688)                         | (693)                     |
| Taxation paid   | (14 420)                      | (713)                         | (705)                     |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>            | <b>(3 129)</b>                | (18 825)                      | 502 588                   |
| Associated companies and joint ventures               | 264                           | 26                            | 26                        |
| Additions of property, plant and equipment            | (3 402)                       | (18 902)                      | (17 972)                  |
| Proceeds on disposal of property, plant and equipment | 9                             | 115                           | 115                       |
| Intangible assets acquired                            | -                             | (64)                          | (64)                      |
| Disposal of business assets                           | -                             | -                             | 520 483                   |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>            | <b>(66 314)</b>               | -                             | -                         |
| Increase in loans from group companies                | 243                           | -                             | -                         |
| Dividends paid  | (66 557)                      | -                             | -                         |
| <b>CASH AND CASH EQUIVALENTS</b>                      |                               |                               |                           |
| Movements   | (67 899)                      | 10 190                        | 547 581                   |
| At the beginning of the period                        | 591 908                       | 44 327                        | 44 327                    |
| <b>AT THE END OF THE PERIOD</b>                       | <b>524 009</b>                | 54 517                        | 591 908                   |

# STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2017

|  | Unaudited                     | Audited                       |                           |
|--|-------------------------------|-------------------------------|---------------------------|
|  | 30 September<br>2017<br>R'000 | 30 September<br>2016<br>R'000 | 31 March<br>2017<br>R'000 |
| <b>Share capital</b>   |                               |                               |                           |
| Balance at the beginning and end of the period               | 1                             | 1                             | 1                         |
| <b>Share premium</b>   |                               |                               |                           |
| Balance at the beginning and end of the period               | 425 722                       | 425 722                       | 425 722                   |
| <b>Reserves</b>  |                               |                               |                           |
| <i>Common control reserve</i>                                |                               |                               |                           |
| Balance at the beginning and end of the period               | 787 230                       | 787 230                       | 787 230                   |
| <i>Retained earnings</i>                                     |                               |                               |                           |
| Balance at the beginning of the period                       | 28 222                        | 85 071                        | 85 071                    |
| Net profit/(loss) attributable to ordinary shareholders      | 32 408                        | (83 302)                      | (53 637)                  |
| Transfer between reserves                                    | -                             | -                             | (3 212)                   |
| Equity accounted earnings transferred to equity reserve      | -                             | (731)                         | -                         |
| Dividends paid   | (68 001)                      | -                             | -                         |
| Balance at the end of the period                             | (7 371)                       | 1 038                         | 28 222                    |
| <i>Treasury shares</i>                                       |                               |                               |                           |
| Balance at the beginning of the period                       | -                             | (7 238)                       | (7 238)                   |
| Transfer between reserves                                    |                               |                               | 7 238                     |
| Balance at the end of the period                             | -                             | (7 238)                       | -                         |
| <i>Equity reserve</i>  |                               |                               |                           |
| Balance at the beginning of the period                       | -                             | 4 025                         | 4 025                     |
| Transfer of equity accounted earnings from retained earnings | -                             | 731                           | (4 025)                   |
| Balance at the end of the period                             | -                             | 4 756                         | -                         |
| <i>Currency translation reserve</i>                          |                               |                               |                           |
| Balance at the beginning of the period                       | -                             | 1                             | 1                         |
| Movement during the period                                   | -                             | (95)                          | (1)                       |
| Balance at the end of the period                             | -                             | (94)                          | -                         |
| <b>Total reserves at the end of the period</b>               | <b>779 859</b>                | <b>785 692</b>                | <b>815 452</b>            |
| <b>Equity at the end of the period</b>                       | <b>1 205 582</b>              | <b>1 211 415</b>              | <b>1 241 175</b>          |

# NOTES TO THE INTERIM REPORT

for the six months ended 30 September 2017

## 1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the six months ended 30 September 2017 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 2017. 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 chief financial officer, Ms Carolyn Kristal CA(SA).

**NOTES TO THE INTERIM REPORT** (continued)  
for the six months ended 30 September 2017

|   | Unaudited                              |  | Audited                            |
|---|--|--|------------------------------------|
|   | 30 September<br>2017<br>Number<br>'000 | 30 September<br>2016<br>Number<br>'000 | 31 March<br>2017<br>Number<br>'000 |
| <b>2. EARNINGS PER SHARE</b>  |  |  |                                    |
| Number of shares issued   | <b>68 980</b>                          | 68 980                                 | 68 980                             |
| Treasury shares   | <b>(979)</b>                           | (979)                                  | (979)                              |
| Used in the calculation<br>of earnings per share  | <b>68 001</b>                          | 68 001                                 | 68 001                             |
|   | <b>R'000</b>                           | <b>R'000</b>                           | R'000                              |
| <b>Reconciliation of<br/>headline earnings</b>  |  |  |                                    |
| Profit/(loss) for<br>the period   | <b>32 408</b>                          | (83 397)                               | (53 637)                           |
| Change in foreign<br>currency translation<br>reserve                                    | -                                      | 95                                     | 1                                  |
| Net profit/(loss)<br>attributable to ordinary<br>shareholders                           | <b>32 408</b>                          | (83 302)                               | (53 636)                           |
| Adjusted for:   |  |  |                                    |
| - Loss on<br>remeasurement  | -                                      | 125 347                                | -                                  |
| - Loss on disposal  | -                                      | -                                      | 125 347                            |
| - Impairment of<br>investments in<br>joint ventures                                     | -                                      | 66                                     | 85                                 |
| - Impairment of assets  | -                                      | -                                      | 1 278                              |
| - Loss on sale of<br>property, plant<br>and equipment                                   | -                                      | 431                                    | (142)                              |
| <b>Headline earnings</b>  | <b>32 408</b>                          | 42 542                                 | 72 932                             |
| Continued operations  | <b>32 408</b>                          | (4 128)                                | 26 816                             |
| Discontinued operations   | -                                      | 46 670                                 | 46 116                             |
|   | <b>Cents</b>                           | <b>Cents</b>                           | Cents                              |
| <b>Earnings per share</b><br><i>(Attributable to equity<br/>holders of the company)</i> |  |  |                                    |
| Basic earnings  | <b>47,7</b>                            | (122,5)                                | (78,9)                             |
| - Continuing operations   | <b>47,7</b>                            | (6,1)                                  | 37,5                               |
| - Discontinued<br>operations  | -                                      | (116,4)                                | (116,4)                            |
| Headline earnings   | <b>47,7</b>                            | 62,5                                   | 107,2                              |
| - Continuing operations   | <b>47,7</b>                            | (6,1)                                  | 39,4                               |
| - Discontinued<br>operations  | -                                      | 68,6                                   | 67,8                               |

|                                   | Unaudited                              |  | Audited                   |
|-----------------------------------|--|--|---------------------------|
|                                   | <b>30 September<br/>2017<br/>R'000</b> | <b>30 September<br/>2016<br/>R'000</b> | 31 March<br>2017<br>R'000 |
| <b>3. SEGMENT ANALYSIS</b>        |  |  |                           |
| Functional analysis<br>of revenue | <b>4 402</b>                           | 1 992                                  | 5 345                     |

#### 4. 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.

#### 5. COMMENTARY

The assets of La Concorde mainly comprise property, art, and cash and cash equivalents from the sale proceeds of its operational assets to Warshay Investments Proprietary Limited in October 2016. In the group's previous announcement, and at the Annual General Meeting of Shareholders, it was indicated that prospects for the future were being assessed, in particular how the cash resources would be deployed.

On 14 September 2017, it was announced that La Concorde, through a subsidiary ("NewCo"), intended to acquire Golden Arrow Bus Services Proprietary Limited ("GABS") from Hosken Consolidated Investments Limited ("HCI") for approximately R1.8bn. NewCo will be capitalised with R1.1bn of cash and/or cash equivalents by La Concorde and the purchase consideration for the transaction will be settled by the issue of shares in Newco to HCI. On completion, La Concorde will own approximately 38% of Newco and HCI will own 62%. The transaction is, inter alia, subject to the conclusion of transaction agreements, the positive completion of due diligence and Niveus Investments Limited ("Niveus") shareholder approval.

Following a distribution of cash by Newco, it is proposed that Newco will be listed on the JSE by April 2018 and that the listed Newco shares will be distributed to the La Concorde shareholders subsequent to listing. It is anticipated that Niveus will distribute the Newco shares to its shareholders subsequent to the unbundling of the shares by La Concorde. Shareholders are referred to the transaction announcement by its controlling shareholder, Niveus, at [www.niveus.co.za](http://www.niveus.co.za) for more information.

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



## **NOTES TO THE INTERIM REPORT** (continued) for the six months ended 30 September 2017

### **6. OVERVIEW OF THE RESULTS FOR THE PERIOD**

The income for the period mainly consisted of interest income on the cash and cash equivalents, rental income and recovery of utilities from the properties in the group. Other expenses include management fees and salaries, utilities and maintenance expenditure of the properties.

### **7. DIVIDENDS**

The board has resolved to review the payment of a dividend after the implementation of the GABS transaction.

Signed on behalf of the board of directors



**Muriel Loftie-Eaton**  
*Chief executive officer*

Paarl  
22 November 2017



#### **DIRECTORS**

JA Copelyn, F-A du Plessis, NL Ellis, CE Kristal, MM Loftie-Eaton, Y Shaik ,  
A van der Veen

#### **COMPANY SECRETARY**

HCI Managerial Services Proprietary Limited

#### **REGISTERED OFFICE**

La Concorde Building, 57 Main Street, Paarl, 7646

#### **WEBSITE**

[www.laconcordeholdings.co.za](http://www.laconcordeholdings.co.za)

#### **TRANSFER SECRETARIES**

Computershare Investor Services