La Concorde Holdings Limited

(Registration number 2009/012871/06)
Annual Financial Statements
for the year ended 31 March 2018

pwc

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Holding company
Directors	JA Copelyn Y Shaik AF Pereira
Registered office	57 Main Street La Concorde Building Paarl 7646
Postal address	PO Box 6185 Paarl 7620
Holding company	Niveus Investments Limited, a company incorporated in South Africa and listed on the Johannesburg Securities Exchange
Ultimate holding company	Hosken Consolidated Investments Limited, a company incorporated in South Africa and listed on the Johannesburg Securities Exchange
Bankers	First National Bank
Auditors	PricewaterhouseCoopers Inc. Chartered Accountants (SA) Registered Auditors
Secretary	HCI Managerial Services Proprietary Limited
Company registration number	2009/012871/06
Level of assurance	These consolidated and separate financial statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.
Preparer	The financial statements were prepared under the supervision of: AF Pereira CA(SA)

Index

The reports and statements set out below comprise the consolidated and separate financial statements presented to the shareholders:

Chief Executive Officer's Report

1. Commentary

The Niveus Group owns a 58% interest in the La Concorde Group. Prior to 18 February 2018, a wholly owned subsidiary of La Concorde ("NewCo") was capitalized with R1,1 billion of cash and cash equivalents. In February 2018, NewCo acquired 100% of the issued shares in HPL & R Investments Proprietary Limited, which holds 100% of Golden Arrow Bus Services Proprietary Limited and 76% of ElJoSa Travel & Tours Proprietary Limited, from Hosken Consolidated Investments Limited ("HCI") for R1,8 billion. The purchase price was settled by the issue of approximately 62% of the issued shares in NewCo to HCI.

In February 2018, NewCo declared a cash dividend of approximately R650 million to its shareholders. La Concorde Group received approximately R247 million of the NewCo cash dividend and declared a dividend of R3,62 per share to its shareholders subsequently, in February 2018.

NewCo's name was changed to Hosken Passenger Logistics and Rail (HPL&R), and on 13 April 2018 La Concorde unbundled its interest in HPL&R to its shareholders. HPL&R was listed on the JSE on 24 April 2018.

The remaining assets of La Concorde consist mainly of investment property, art and cash. Additions to the La Concorde head offices were made during the year with development plans for vacant land being considered.

On behalf of the board of directors

Y Shaik
Chief executive officer

Directors' Responsibilities and Approval

The directors are required in terms of the Companies Act 71 of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate financial statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate financial statements fairly present the state of affairs of the group as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the consolidated and separate financial statements.

The consolidated and separate financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the group and all employees are required to maintain the highest ethical standards in ensuring the group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the group is on identifying, assessing, managing and monitoring all known forms of risk across the group. While operating risk cannot be fully eliminated, the group endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the group's cash flow forecast for the year to 31 March 2019 and, in light of this review and the current financial position, they are satisfied that the group has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the group's consolidated and separate finanical statements. The consolidated and separate finanical statements have been examined by the group's external auditors and their report is presented on pages 7 to 8.

The consolidated and separate finanical statements set out on pages 3 to 6 and 9 to 51 , which have been prepared on the going concern basis, were approved by the board on 17 September 2018 and were signed on their behalf by:

Director

Declaration by the company secretary

I hereby confirm, in my capacity as company secretary of La Concorde Holdings, that for the period ended 31 March 2018, the company has filed all required returns and notices in terms of the Companies Act 71 of 2008, as amended, and that all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

HCI MANAGERIAL SERVICES (PTY) LTD
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P.O. BOX 5251
Cape Town, 8000
Suite 801
76 Regent Road
Sea Point 8005
COMPANY SECRETARY
E-mail: cshapiro@hci.co.za

HCI Managerial Services Proprietary Limited
Company Secretary

Audit Committee Report

The audit committee of Niveus Investments Limited ("Niveus") also acts as the statutory audit committee for La Concorde Holdings Limited ("La Concorde"), a public group company subsidiary that is legally required to have such a committee.

Niveus's audit committee fulfils its responsibilities as the statutory audit committee for La Concorde by considering:

- Information and explanations provided by management;
- Discussions with Niveus's representative serving as non-executive director on La Concorde's board;
- Review of minutes of meetings held by aforementioned individuals to consider La Concorde's financial reporting for the year under review; and
- Reports provided by La Concorde's external auditor, PricewaterhouseCoopers Inc.

Based on the results of the aforementioned procedures, the Niveus audit committee:

- Is satisfied with the independence and objectivity of the external auditor, PricewaterhouseCoopers Inc.;
- Has recommended the fees payable to the external auditor;
- Is satisfied with the extent of non-audit-related services performed;
- Is satisfied that the financial function, including the financial director, has the appropriate expertise, experience and resources; and
- Is satisfied that there was no material breakdown in the internal financial controls of the company during the year.

The committee has evaluated the annual financial statements of the company and group for the year ended 31 March 2018, and based on the information provided to the committee, considers that the group complies, in all material respects, with the requirements of the Companies Act, 71 of 2008, as amended, and International Financial Reporting Standards.

Niveus Risk and Audit Committee

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Independent auditor's report

To the Shareholders of La Concorde Holdings Limited and its subsidiaries

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of La Concorde Holdings Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2018, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

What we have audited

La Concorde Holdings Limited's consolidated and separate financial statements set out on pages 12 to 51 comprise:

- the consolidated and separate statements of financial position as at 31 March 2018;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the *Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code)* and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants *Code of Ethics for Professional Accountants* (Parts A and B).

Other information

The directors are responsible for the other information. The other information comprises the information included in the La Concorde Holdings Limited and its subsidiaries Annual Financial Statements for the year ended 31 March 2018, which includes the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate as required by the Companies Act of South Africa, and the General information, the Chief Executive Officer's Report and Director's Responsibilities and Approval. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. and its predecessor firms have been the auditor of La Concorde Holdings Limited and predecessor entities for 75 years based on available statutory records.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: DG Malan
Registered Auditor
Stellenbosch
17 September 2018

Shareholder Spread

Analysis of shareholders

Listed below are analyses of shareholdings extracted from the register of ordinary shareholders at 31 March 2018.

Distribution of shareholders	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
1 - 1 000 shares	1,648	58.0	623,853	0.9
1 001 - 10 000 shares	951	33.4	3,226,203	4.7
10 001 - 50 000 shares	203	7.2	3,796,614	5.5
50 001 - 100 000 shares	14	0.5	922,915	1.3
100 001 - 500 000 shares	13	0.5	2,017,564	2.9
500 001 - 1 000 000 shares	5	0.2	3,165,290	4.6
Over 1 000 000 shares	5	0.2	55,227,935	80.1
	2,839	**100.0**	**68,980,374**	**100.0**

Type of shareholder	Number of shareholders	% of shareholders	Number of shares	% of issued share capital
Bank nominees	7	72.0	49,697,360	72.0
Close corporation	55	0.2	128,432	0.2
Estate late	13	0.1	72,601	0.1
Farms	32	0.2	106,231	0.2
Individual	2,294	10.4	7,135,790	10.4
Investment company	3	0.1	80,600	0.1
Private company	235	14.8	10,206,264	14.8
Public company	5	0.1	80,785	0.1
School	6	-	2,739	-
Trust	189	2.1	1,469,572	2.1
	2,839	**100.0**	**68,980,374**	**100.0**

Significant shareholding	Number of shares	% of issued share capital
Niveus-La Concorde Holdings Proprietary Limited	39,384,857	57.1
RAC Investment Holdings Proprietary Limited	3,509,983	5.1
	42,894,840	**62.2**

Shareholder analysis	Number of shareholders	Number of shares	% of issued share capital
Public	2,837	28,616,090	42.0
Non-public	-	-	-
Niveus-La Concorde Holdings Proprietary Limited	1	39,384,857	57.0
La Concorde South Africa Proprietary Limited	1	979,427	1.0
	2,839	**68,980,374**	**100.0**

Directors' Report

The directors have pleasure in submitting their report on the consolidated and separate financial statements of La Concorde Holdings Limited and the group for the year ended 31 March 2018.

1. Review of financial results and activities

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 71 of 2008. The accounting policies have been applied consistently compared to the prior year.

The company is an investment holding company operating principally in South Africa.

The operating results and state of affairs of the company are fully set out in the attached annual financial statements and do not in our opinion require any futher comment.

The group made a profit from continuing operations for the year of R73 520 000 (2017 Restated profit: R77 844 000).

2. 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.

Interim dividend of 100 cents per share was declared in South African currency on Tuesday, May 30, 2017 and paid on Monday, June 19, 2017. This dividend equated to a total of R 68,980,374 (2017: Rnil).

Final dividend of 362 cents per share was approved by the board on Friday, February 2, 2018 in South African currency in respect of the year ended 31 March 2018. The dividend payment date was Monday, February 12, 2018 to shareholders recorded in the register of the company at close of business on Thursday, February 8, 2018.The dividend equated to a total of R249 708 954 (2017: Nil).

The local dividends tax rate is 20%.

3. Directorate

The directors in office at the date of this report are as follows:

Directors	Designation	Changes
JA Copelyn	Non-executive Independent	
NL Ellis	Non-executive	Resigned Monday, May 21, 2018
A van der Veen	Non-executive	Resigned Wednesday, August 1, 2018
MM Loftie-Eaton	Executive	Resigned Wednesday, August 1, 2018
Y Shaik	Executive	
AF Pereira	Executive	Appointed Sunday, July 1, 2018
CE Kristal	Executive	Appointed Wednesday, November 1, 2017, resigned Sunday, July 1, 2018
MN Joubert	Non-executive Independent	Appointed Wednesday, January 24, 2018, resigned Friday, April 13, 2018
F du Plessis	Non-executive Independent	Resigned Monday, May 21, 2018

4. Holding company

The group's holding company is Niveus Investments Limited, a company incorporated in South Africa and listed on the Johannesburg Securities Exchange.

Directors' Report

5. Ultimate holding company

The group's ultimate holding company is Hosken Consolidated Investments Limited, a company which is incorporated in South Africa and listed on the Johannesburg Securities Exchange.

6. Events after the reporting period

Subsequent to year-end, La Concorde unbundled the shares in Hosken Passenger Logistics and Rail Limited to La Concorde shareholders by way of a distribution in specie. On 13 April 2018 the company declared a dividend in specie of 1.59466 Hosken Passenger Logistics and Rail Limited shares per La Concorde Holdings Limited share.

7. Going concern

The directors believe that the group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the group.

8. Auditors

PricewaterhouseCoopers Inc. continued in office in accordance with section 90(6) of the Companies Act 71 of 2008 as auditors for the company and its subsidiaries for 2018.

9. Restatement of prior year figures

The accounting policy of investment property was reviewed during the financial period. Management decided to change the accounting policy of investment property 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. Refer to note 35 for futher detail.

10. Solvency and liquidity

The directors have performed the required liquidity and solvency tests required by the Companies Act of South Africa.

La Concorde Holdings Limited

(Registration number 2009/012871/06)
Consolidated and Separate Financial Statements for the year ended 31 March 2018

Statements of Financial Position as at 31 March 2018

		Group		Company	
		2018	2017 Restated *	2018	2017
	Notes	R '000	R '000	R '000	R '000
Assets					
Non-Current Assets					
Property, plant and equipment	3	3,598	21,866	-	-
Investment property	4	262,758	68,358	-	-
Intangible assets	5	195	176	-	-
Investments in subsidiaries	6	-	-	382,674	382,674
Investment in associate	7	17,131	13,470	-	-
Loans receivable	8	-	420,819	-	-
		283,682	**524,689**	**382,674**	**382,674**
Current Assets					
Inventories		117	-	-	-
Loan to group company	9	-	-	411,303	471,399
Trade and other receivables	10	6,033	1,443	-	-
Loans receivable	8	792	210,148	-	-
Cash and cash equivalents	11	98,853	591,908	-	-
		105,795	**803,499**	**411,303**	**471,399**
Non-current assets held for sale	24	855,273	-	855,273	-
Total Assets		**1,244,750**	**1,328,188**	**1,649,250**	**854,073**
Equity and Liabilities					
Equity					
Share capital	13	1	1	1	1
Share premium	13	425,722	425,722	425,722	425,722
Other reserves		896,769	787,230	377,179	377,179
Retained income		(161,096)	80,528	832,034	50,800
		1,161,396	**1,293,481**	**1,634,936**	**853,702**
Liabilities					
Non-Current Liabilities					
Deferred tax	14	53,451	15,992	-	-
Current Liabilities					
Trade and other payables	15	16,686	4,287	14,305	371
Current tax payable		13,217	14,428	9	-
		29,903	**18,715**	**14,314**	**371**
Total Liabilities		**83,354**	**34,707**	**14,314**	**371**
Total Equity and Liabilities		**1,244,750**	**1,328,188**	**1,649,250**	**854,073**

* See Note 35

Statements of Profit or Loss and Other Comprehensive Income

		Group		Company	
		2018	2017 Restated *	2018	2017
	Notes	R '000	R '000	R '000	R '000
Continuing operations					
Revenue	17	16,480	8,155	1,100,000	-
Cost of sales		(96)	-	-	-
Gross profit		**16,384**	**8,155**	**1,100,000**	**-**
Other operating income		80	-	-	-
Fair value adjustments	18	23,500	67,405	-	-
Investment income	19	78,198	46,709	-	-
Other operating expenses		(23,581)	(19,241)	(74)	(160)
Operating profit (loss)	20	**94,581**	**103,028**	**1,099,926**	**(160)**
Interest income	21	1,709	109	-	1
Finance costs		(7)	(5)	-	-
Share of equity accounted earnings	22	3,925	736	-	-
Profit (loss) before taxation		**100,208**	**103,868**	**1,099,926**	**(159)**
Taxation	23	(26,688)	(26,024)	-	-
Profit (loss) from continuing operations		**73,520**	**77,844**	**1,099,926**	**(159)**
Discontinued operations					
Net result from discontinued operations	24	-	(79,175)	-	50,000
Profit (loss) for the year		**73,520**	**(1,331)**	**1,099,926**	**49,841**
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Foreign currency translation reserve		-	1	-	-
Gains on revaluation of land and buildings		109,539	-	-	-
Total items that will not be reclassified to profit or loss		**109,539**	**1**	**-**	**-**
Other comprehensive income (loss) for the year net of taxation		**109,539**	**1**	**-**	**-**
Total comprehensive income (loss) for the year		**183,059**	**(1,330)**	**1,099,926**	**49,841**
Earnings per share		**Cents**	**Cents**		
(Attributable to equity holders of the company)					
Basic and diluted earnings					
Continuing operations	25	108.1	114.5		
Discontinued operations		-	(116.4)		

* See Note 35

Statements of Changes in Equity

	Share capital R '000	Share premium R '000	Total share capital R '000	Treasury shares R '000	Equity reserve R '000	Common control R '000	Revaluation reserve R '000	Other reserves R '000	Retained income R '000	Total equity R '000
Group										
Balance at 1 April 2016, as previously reported	**1**	**425,722**	**425,723**	**(7,238)**	**4,025**	**787,230**	**-**	**784,017**	**85,072**	**1,294,812**
Loss for the year	-	-	-	-	-	-	-	-	(53,637)	(53,637)
Impact of change in accounting policy	-	-	-	-	-	-	-	-	52,306	52,306
Total comprehensive Loss for the year	-	-	-	-	-	-	-	-	**(1,331)**	**(1,331)**
Transfer between reserves	-	-	-	7,238	(4,025)	-	-	3,213	(3,213)	-
Balance at 1 April 2017 restated	**1**	**425,722**	**425,723**	-	-	**787,230**	-	**787,230**	**80,528**	**1,293,481**
Profit for the year	-	-	-	-	-	-	-	-	73,520	73,520
Other comprehensive income	-	-	-	-	-	-	109,539	109,539	-	109,539
Total comprehensive profit for the year	-	-	-	-	-	-	**109,539**	**109,539**	**73,520**	**183,059**
Dividends	-	-	-	-	-	-	-	-	(315,144)	(315,144)
Balance at 31 March 2018	1	425,722	425,723	-	-	787,230	109,539	896,769	(161,096)	1,161,396

* See Note 35

Statements of Changes in Equity

	Share capital R '000	Share premium R '000	Total share capital R '000	Treasury shares R '000	Equity reserve R '000	Common control R '000	Revaluation reserve R '000	Other reserves R '000	Retained income R '000	Total equity R '000
Company										
Balance at 1 April 2016	1	425,722	425,723	-	-	395,963	-	395,963	959	822,645
Profit for the year	-	-	-	-	-	-	-	-	49,841	49,841
Total comprehensive loss for the year	-	-	-	-	-	-	-	-	**49,841**	**49,841**
Disposal of subsidiary	-	-	-	-	-	(18,784)	-	(18,784)	-	(18,784)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	**(18,784)**	-	**(18,784)**	-	**(18,784)**
Balance at 1 April 2017	1	425,722	425,723	-	-	377,179	-	377,179	50,800	853,702
Profit for the year	-	-	-	-	-	-	-	-	1,099,926	1,099,926
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	**1,099,926**	**1,099,926**
Dividends	-	-	-	-	-	-	-	-	(318,692)	(318,692)
Total contributions by and distributions to owners of company recognised directly in equity	-	-	-	-	-	-	-	-	**(318,692)**	**(318,692)**
Balance at 31 March 2018	1	425,722	425,723	-	-	377,179	-	377,179	832,034	1,634,936

* See Note 35

Statements of Cash Flows

		Group		Company	
	Notes	2018 R '000	2017 Restated * R '000	2018 R '000	2017 R '000
Cash flows from operating activities					
Cash (utilised)/generated from operating activities		(3,503)	11,301	1,143,591	49,841
Changes in working capital		204,957	13,692	13,943	-
Cash generated from operations	26	201,454	24,993	1,157,534	49,841
Interest received		79,907	20,705	-	-
Finance costs		(7)	-	-	-
Dividends paid		(302,261)	-	(302,261)	-
Tax paid	27	(24,399)	(705)	-	-
Net cash from operating activities		**(45,306)**	**44,993**	**855,273**	**49,841**
Cash flows from investing activities					
Additions to property, plant and equipment	3	(1,395)	(17,972)	-	-
Additions to investment property	4	(11,274)	-	-	-
Proceeds on disposal of property, plant and equipment	3	7	115	-	-
Acquisition of intangible assets	5	(105)	(64)	-	-
Investment in associates	7	264	26	-	-
Disposal of business assets	29	-	520,483	-	-
Investment in non-current assets held for sale		(855,273)	-	(855,273)	-
Loans receivable disposal		420,819	-	-	(49,841)
Loans receivable advances		(792)	-	-	-
Net cash from/(used in) investing activities		**(447,749)**	**502,588**	**(855,273)**	**(49,841)**
Total cash movement for the year		**(493,055)**	**547,581**	-	-
Cash at the beginning of the year		591,908	44,327	-	-
Total cash at end of the year	11	**98,853**	**591,908**	-	-

* See Note 35

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate annual financial statements are set out below.

1.1 Basis of preparation

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

These consolidated and separate financial statements comply with the requirements of the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The consolidated and separate financial statements were prepared under the historical cost convention, as modified by the revaluation to fair value of investment properties and certain financial instruments as described in the accounting policies below. The accounting policies are consistent with those applied in the previous year, except for the effect of the new standards and interpretations, effective for the financial year ended 31 March 2018 and the change in accounting policy. Refer to note 35 for futher detail.

1.2 Consolidation

Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the group.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Investments in subsidiaries in the separate financial statements

In the company's separate financial statements, investments in subsidiaries are carried at cost less any accumulated impairment losses. Loans to subsidiaries are considered to be capital contribution to the subsidiary and are included in the carrying amount the investment.

1.3 Investment in associate

Associates are all entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The group has interest of 30.9% in Paarl Valley Bottling Company Proprietary Limited.

Investments in associates are accounted for using the equity method. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Accounting Policies

1.3 Investment in associate (continued)

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

1.4 Significant judgements and sources of estimation uncertainty

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

1.5 Investment property

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Subsequent to initial measurement investment property is measured using the fair value model.

Fair value is based on active market prices, adjusted, if neccesary, for differences in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated financial statements.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised when they have been disposed.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any differences resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the income statement to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increase directly to equity in revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is inially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

Refer to note 35 that reflects the change in accounting policy.

1.6 Property, plant and equipment

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets, where appropriate.

Accounting Policies

1.6 Property, plant and equipment (continued)

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

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

Item	Average useful life
Machinery and equipment	10 - 50 years
Furniture and fittings	10 years
Motor vehicles	5 - 20 years
Computer equipment	5 years
Art	10 years

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

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

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

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

1.7 Intangible assets

Computer software:

Acquired computer software licenses are capitalised on the basis of the cost incurred to acquire and bring into use the spesific software.

Trademark:

Trademarks are recognised initially at cost and are carried at cost less accumulated amortisation.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Computer software	5 years
Trademarks	5 years

Accounting Policies

1.8 Financial instruments

Classification

The group classifies financial assets and financial liabilities into the following categories:
- Financial assets at fair value through profit or loss
- Loans and receivables
- Financial assets and liabilities measured at amortised cost

Financial assets at fair value through profit or loss:
Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables:
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

Initial recognition and measurement

Financial instruments are recognised initially when the group becomes a party to the contractual provisions of the instruments.

The group classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership.

Accounting Policies

1.8 Financial instruments (continued)

Impairment of financial assets

At each reporting date the group assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the group, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversals of impairment losses are recognised in profit or loss except for equity investments classified as available-for-sale.

Where financial assets are impaired through use of an allowance account, the amount of the loss is recognised in profit or loss within operating expenses. When such assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Offsetting financial instruments

Finanical assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Loans to (from) group companies

These include loans to and from holding companies, fellow subsidiaries, subsidiaries, joint ventures and associates and are recognised initially at fair value plus direct transaction costs.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

Trade payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Accounting Policies

1.8 Financial instruments (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss - held for trading.

1.9 Tax

Current tax assets and liabilities

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

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

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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

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

Tax expenses

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

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

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

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

Accounting Policies

1.10 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Finance leases - lessor

The group recognises finance lease receivables in the statement of financial position.

Finance income is recognised based on a pattern reflecting a constant periodic rate of return on the group's net investment in the finance lease.

Finance leases – lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The lease payments are apportioned between the finance charge and reduction of the outstanding liability.The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

Operating leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

Any contingent rents are expensed in the period they are incurred.

1.11 Inventories

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

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

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

Accounting Policies

1.12 Non-current assets (disposal groups) held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups are classified as held for distribution to owners when the entity is committed to distribute the asset or disposal group to the owners. This condition is regarded as met only when the distribution is highly probable and the asset (or disposal group) is available for immediate distribution in its present condition, provided the distribution is expected to be completed within one year from the classification date.

Non-current assets (or disposal groups) held for sale (distribution to owners) are measured at the lower of their carrying amount and fair value less costs to sell (distribute).

A non-current asset is not depreciated (or amortised) while it is classified as held for sale (held for distribution to owners), or while it is part of a disposal group classified as such.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale (distribution to owners) are recognised in profit or loss.

1.13 Impairment of non-financial assets

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

Irrespective of whether there is any indication of impairment, the group also:

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

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

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

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

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

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

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

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

Accounting Policies

1.14 Share capital and equity

Ordinary shares are classified as equity.

Where any group company purchases the company's equity share capital such shares are classified as treasury shares. The consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the group's equity holders until the shares are cancelled, re-issued or disposed of. Where such shares are subsequently sold or re-issued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders. These shares are treated as a deduction from the issued number of shares and taken into account in the calculation of the weighted average number of shares in issue.

1.15 Employee benefits

Short-term employee benefits

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

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

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

Defined contribution plans

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

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

1.16 Revenue

Revenue includes rental income, and recovery charges from properties.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Revenue from recovery charges is measured at the fair value of the consideration received or receivable.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and spesific criteria have been met for each of the group's activities as described below. The group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Recovery charges are recognised in the accounting period in which the services are rendered.

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

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.17 Reserves

Common control reserve

Acquisitions of subsidiaries which do not result in a change of control of the subsidiaries are accounted for as common control transactions. The excess of the cost of the acquisition over the group's interest in the carrying value of the identifiable assets and liabilities of the acquired entity, is carried as a common control reserve in the consolidated results.

Accounting Policies

1.18 Earnings per share

Earnings per share are calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares in issue during the year, excluding the ordinary shares held by the group as treasury shares.

1.19 Critical accounting estimates and judgements

The preparation of the financial statements in accordance with IFRS require the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the group's accounting policies and in reporting assets and liabilities, income and expenses. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are mainly useful life and impairment of property, plant and equipment, impairment of investments in subsidiaries, associates and the determination of the fair value of investment property.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The judgments and assumptions that are particularly relevant to the group's operations, are:

- Property, plant and equipment, excluding land:
  Changes in business landscape or technological innovations may impact on the useful lives and estimated residual values of these assets. Similar assets are grouped together, but residual values and useful lives may vary significantly between individual assets in a category. Management reviews assets' residual values, useful lives and the related depreciation charges annually at each reporting date.
- Estimated impairment of investments in subsidiaries and associates:
  This determination requires significant judgement. The main indicators of possible impairment are profitability and cash flows that are poor or significantly below expectations.
- Investment property:
  The fair value of investment properties is determined by using valuation techniques. Futher details of the judgements and assumptions made, see note 4. The group rents out 99.84% of its rentable area and uses the remaining area for its own use. Management has therefore determined that the properties may be treated as investment property as only an insignificant portion is held for own use.

1.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive management of the group, who makes strategic decisions.

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after
• Amendments to IAS 7: Disclosure initiative	January 1, 2017
• Amendments to IAS 12: Recognition of Deferred Tax Assets for Unrealised Losses	January 1, 2017

2.2 Standards and interpretations not yet effective

The group has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the group's accounting periods beginning on or after April 1, 2018 or later periods:

IFRS 16 Leases

New standard that introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying IAS 7: Statement of Cash Flows.

IFRS 16 contains expanded disclosure requirements for lessees. Lessees will need to apply judgement in deciding upon the information to disclose to meet the objective of providing a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of the lessee.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.

IFRS 16 supersedes the following Standards and Interpretations:

- IAS 17: Leases;
- IFRIC 4: Determining whether an Arrangement Contains a Lease;
- SIC-15: Operating Leases – Incentives; and
- SIC-27: Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

The group will apply IFRS 16 from annual periods beginning 1 April 2019.

The group is in the process of assessing the possible impact of the application of IFRS 16.

Notes to the Annual Financial Statements

2. New Standards and Interpretations (continued)

IFRS 15 Revenue from Contracts with Customers

New standard that requires entities to recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This core principle is achieved through a five step methodology that is required to be applied to all contracts with customers.

The new standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively and improve guidance for multipleelement arrangements.

The new standard supersedes:
- IAS 11: Construction Contracts;
- IAS 18: Revenue;
- IFRIC 13: Customer Loyalty programmes;
- IFRIC 15: Agreements for the Construction of Real Estate;
- IFRIC 18: Transfers of Assets from Customers; and
- SIC-31: Revenue – Barter Transactions Involving Advertising Services.

The group will apply IFRS 15 from annual periods beginning 1 April 2018.

As the group recognises significantly all of its revenue at a point in time, there will be no significant impact on the group's revenue recognition by the adoption of the new standard, IFRS 15 Revenue from Contracts with Customers.

IFRS 9 Financial Instruments

A final version of IFRS 9 has been issued which replaces IAS 39 Financial Instruments: Recognition and Measurement. The completed standard comprises guidance on classification and measurement, impairment hedge accounting and derecognition:

- IFRS 9 introduces a new approach to the classification of financial assets, which is driven by the business model in which the asset is held, and their cash flow characteristics. A new business model was introduced which allows certain financial assets to be categorised as "fair value through other comprehensive income" in certain circumstances. The requirements for financial liabilities are mostly carried forward unchanged from IAS 39. However, some changes were made to the fair value option for financial liabilities to address the issue of own credit risk.
- The new model introduces a single impairment model being applied to all financial instruments, as well as an "expected credit loss" model for the measurement of financial assets.
- IFRS 9 contains a new model for hedge accounting that aligns the accounting treatment with the risk management activities of an entity. In addition, enhanced disclosures will provide better information about risk management and the effect of hedge accounting on the financial statements.
- IFRS 9 carries forward the derecognition requirements of financial assets and liabilities from IAS 39.

2. New Standards and Interpretations (continued)

The group has reviewed its financial assets and financial liabilities and is expecting the following impact from the adoption of the new standard on 1 April 2018.

Classification and measurement
The majority of financial assets held by the group include:

- debt instruments – trade and other receivables – currently classified as loans and receivables and are measured at amortised cost. Trade and other receivables continue to qualify for measurement at amortised cost under IFRS 9 because they are held to collect contractual cash flows comprising principal and interest, therefore there is no change to the accounting for these assets.

Accordingly, the group does not expect the new guidance to affect the classification and measurement of these financial assets

The new requirements only affect the accounting for financial liabilities that are designated at FVPL. The carrying value of these liabilities as identified by the group, is not significant at a group level and will therefore have no impact on the group.

The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

Impairment
Trade and other receivables is the most significant financial asset in the group that will be impacted. The provision matrix is used to calculate expected credit losses. The impact of forward looking information is immaterial on trade receivables and as such no significant impact is expected upon the adoption of IFRS 9. Impairment tests will need to be performed on inter-company balances but these will eliminate on consolidation.

Disclosure
The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the group's annual financial statements.

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment

Group	2018 Cost	2018 Accumulated depreciation and impairment losses	2018 Carrying value	2017 Cost	2017 Accumulated depreciation and impairment losses	2017 Carrying value
Land	-	-	-	15,920	(3,339)	12,581
Machinery and equipment	-	-	-	11,166	(4,880)	6,286
Furniture and fixtures	4,808	(2,076)	2,732	3,899	(1,736)	2,163
Motor vehicles	731	(411)	320	448	(346)	102
Computer equipment	1,105	(633)	472	1,066	(432)	634
Art	184	(110)	74	184	(84)	100
Total	**6,828**	**(3,230)**	**3,598**	**32,683**	**(10,817)**	**21,866**

Reconciliation of property, plant and equipment - Group - 2018

	Opening balance	Additions	Disposals	Revaluations	Transfer to Investment property	Depreciation	Total
Land	12,581	-	-	141,158	(153,739)	-	-
Machinery and equipment	6,286	121	-	-	(5,887)	(520)	-
Furniture and fittings	2,163	951	7	-	-	(389)	2,732
Motor vehicles	102	284	-	-	-	(66)	320
Computer equipment	634	39	-	-	-	(201)	472
Art	100	-	-	-	-	(26)	74
	21,866	**1,395**	**7**	**141,158**	**(159,626)**	**(1,202)**	**3,598**

Notes to the Annual Financial Statements

Figures in Rand thousand

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2017

	Opening balance	Additions	Disposals	Transfer to Investment property	Depreciation	Impairment loss	Total
Land	43,520	4,051	(33,368)	(953)	(669)	-	12,581
Machinery and equipment	175,127	10,366	(165,206)	-	(14,001)	-	6,286
Furniture and fittings	17,230	3,112	(15,498)	-	(2,635)	(46)	2,163
Motor vehicles	4,567	366	(4,603)	-	(228)	-	102
Computer equipment	949	77	(188)	-	(204)	-	634
Art	184	-	-	-	(84)	-	100
	241,577	**17,972**	**(218,863)**	**(953)**	**(17,821)**	**(46)**	**21,866**

The property was transferred to investment property at 1 April 2017. Refer to note 4.

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

4. Investment property

Group	2018 Carrying value	2017 Restated Carrying value
Investment property	262,758	68,358

Reconciliation of investment property - Group - 2018

	Opening balance	Additions	Transfer from property, plant and equipment	Fair value adjustments	Total
Investment property	68,358	11,274	159,626	23,500	262,758

Reconciliation of investment property - Group - 2017

	Opening balance	Fair value adjustments	Total
Investment property	953	67,405	68,358

Investment properties are stated at fair value.

The company engages external, independent and qualified valuators to determine the fair value of the group's investment property at the end of every 3rd reporting period. The directors perform valuations annually.

Investment property is in level 3 of the fair value hierarchy.

The investment properties were fairly valued on 1 April 2018 by a suitable qualified and independent valuator with recent experience in similar properties in similar areas.

The valuator analysed the values of the properties by considering all incomparable characteristics and their potential influence on the sales prices.

The fair value of investment properties owned by the group, totalling R262,8 million at 31 March 2018, was arrived at on the basis of external valuations performed by Real Direct Proprietary Limited, an independent firm of valuers not related to the group. The fair value of the vacant land totalling R180 million was determined by applying the direct comparable sales valuation technique and buildings with a fair value of R82,8 million were valued using the net income capitalisation method.

Significant unobservable inputs were as follows:
- Rental growth rate 7%
- Cost growth rate 6%
- Capitalisation rate 10.5%
- Occupation rate 95%

Change in use:

The change in use of certain properties resulted in its reclassification from property, plant and equipment to investment property. These properties were fair valued through other comprehensive income prior to being transferred to investment property. The effect of the change in use was R109 million, net of deferred tax, recognised in the statement of other comprehensive income.

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

4. Investment property (continued)

Amounts recognised in profit and loss for the year

Rental income from investment property	16,480	8,155	-	-
Direct operating expenses from rental generating property	(22,307)	(15,309)	-	-
	(5,827)	**(7,154)**	-	-

Investment property owned was revalued recognising R23 500 000 (2017: R67 405 000) in profit or loss.

Contractual rent receivable:				
- within one year	6,856	11,289	-	-
- within two to five years	11,462	19,673	-	-
- after five years	181	358	-	-
	18,499	**31,320**	-	-

Investment properties consist of:

Erf 31403, Main Street House, Paarl, Western Cape, 549 m²	5,000	5,000	-	-
Erf 11919, De Hoop Farm, Paarl, Western Cape, in extent of 3,3 ha	25,000	25,000	-	-
Erf 23407, Worcester, Western Cape, in extent of 6 602 m²	1,650	1,650	-	-
Erf 31366, Picardie Farm, Paarl, Western Cape, in extent of 16,4 ha	35,000	11,500	-	-
Erf 212, 213, 214, 223, 224, Klapmuts erven, in extent 5 502 m²	1,208	1,208	-	-
Erf 8677, Paarl, Western Cape, in extent 2,4702 ha	24,000	24,000	-	-
Erf 8676, Paarl, Western Cape, in extent 2,5849 ha	73,400	-	-	-
Erf 13004, Paarl, Western Cape, in extent 44,3918 ha	97,500	-	-	-
	262,758	**68,358**	-	-

5. Intangible assets

Group	2018			2017		
	Cost	Accumulated amortisation	Carrying value	Cost	Accumulated amortisation	Carrying value
Trademarks	105	(7)	98	-	-	-
Computer software	504	(407)	97	503	(327)	176
Total	**609**	**(414)**	**195**	**503**	**(327)**	**176**

Reconciliation of intangible assets - Group - 2018

	Opening balance	Additions	Amortisation	Total
Trademarks	-	105	(7)	98
Computer software	176	-	(79)	97
	176	**105**	**(86)**	**195**

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

5. Intangible assets (continued)

Reconciliation of intangible assets - Group - 2017

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	1,775	66	(1,143)	(522)	176

6. Investments in subsidiaries including consolidated structured entities

The following table lists the entities which are controlled directly by the company, and the carrying amounts of the investments in the company's separate financial statements.

Company

Name of company	Held by	% holding 2018	% holding 2017	Carrying amount 2018	Carrying amount 2017
La Concorde International Proprietary Limited	La Concorde Holdings Limited	100.00 %	100.00 %	57,664	57,664
La Concorde South Africa Proprietary Limited	La Concorde Holdings Limited	100.00 %	100.00 %	325,010	325,010
La Concorde Projects Proprietary Limited	La Concorde Holdings Limited	100.00 %	100.00 %	-	-
				382,674	382,674

The carrying amount of investments in subsidiaries approximates its fair value.

7. Investment in associate

The following table list the associate in the group:

Group

Name of company	Held by	% ownership interest 2018	% ownership interest 2017	Carrying amount 2018	Carrying amount 2017
Paarl Valley Bottling Company Proprietary Limited	La Concorde South Africa Proprietary Limited	30.90 %	30.90 %	17,131	13,470

Refer to Annexure A for summarised financial information of investment in associate.

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

7. Investment in associate (continued)

Reconciliation of investment in associate

	Group 2018 R '000	Group 2017 R '000	Company 2018 R '000	Company 2017 R '000
At the beginning of the year			13,470	18,177
Disposal of interest			-	(5,418)
Share of net profits of associates and joint ventures			3,925	736
Acquisition of additional interest			-	51
Loans			-	(76)
Dividends received			(264)	-
			17,131	**13,470**

8. Loans receivable

	Group 2018 R '000	Group 2017 R '000	Company 2018 R '000	Company 2017 R '000
Loans receivable from related party				
- within one year	792	-		
Promissory notes receivable				
- within one year	-	218,896		
- in second to fifth year inclusive	-	495,194		
	-	714,090		
less: Unearned finance income	-	(83,123)		
	-	**630,967**		
Non-current assets	-	420,819		
Current assets	792	210,148		
	792	**630,967**		

On 14 October 2016, R575 million, approximately 50% of the purchase consideration, for the sale of the KWV operational assets was paid by the buyer. The remainder of the purchase consideration is deferred and will be settled in three instalments on 1 October 2017, 1 October 2018 and 1 October 2019. The instalments are secured by way of Investec Bank payment obligations that carry interest at 8,5% compounded annually.

Prior to 18 February 2018, a wholly owned subsidiary of La Concorde ("NewCo") was capitalized with R1,1 billion of cash and cash equivalents. In February 2018, NewCo acquired 100% of the issued shares in HPL & R Investments Proprietary Limited, which holds 100% of Golden Arrow Bus Services Proprietary Limited and 76% of ElJoSa Travel & Tours Proprietary Limited, from Hosken Consolidated Investments Limited ("HCI") for R1,8 billion. The purchase price was settled by the issue of approximately 62% of the issued shares in NewCo to HCI. The final promissory note was ceded as part of the GABS acquisition prior to year end.

9. Loan to group company

	Group 2018 R '000	Group 2017 R '000	Company 2018 R '000	Company 2017 R '000
La Concorde South Africa Proprietary Limited	-	-	411,303	471,399

The loan is unsecured, bears no interest and is repayable on demand.

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

10. Trade and other receivables

Trade receivables	2,229	1,435	-	-
Less: Provision for impairment	(81)	-	-	-
Trade receivables - net	2,148	1,435	-	-
Value added tax	298	-	-	-
Dividend receivable	3,546	-	-	-
Other receivables	41	8	-	-
	6,033	**1,443**	-	-

Credit quality of trade and other receivables

The credit quality of trade and other receivables that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates:

Trade receivables

Counterparties without external credit rating

BB - Capable of meeting normal commitments	2,148	1,435	-	-

Trade and other receivables past due but not impaired

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 31 March 2018, R430 000 - (2017: R 16 000) were past due but not impaired.

At 31 March 2018, R1 718 000 (2017: R1 419 000) were fully performing.

The ageing of amounts past due but not impaired are as follows:

30 to 60 days	135	15	-	-
60 to 90 days	46	-	-	-
More than 90 days	249	1	-	-

Trade and other receivables impaired

As of 31 March 2018, trade and other receivables of R81 000 - (2017: R0) were impaired and provided for.

Reconciliation of provision for impairment of trade and other receivables

Opening balance	-	-	-	-
Provision for impairment	(81)	-	-	-
	(81)	-	-	-

Trade and other receivables carrying amount approximates its fair value.

11. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	19,906	1,163	-	-
Short-term deposits	487	367	-	-
Money market accounts	78,460	590,378	-	-
	98,853	**591,908**	-	-

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

11. Cash and cash equivalents (continued)

Credit quality of cash and cash equivalents

The Group's credit risk exposure relating to cash and cash equivalents is managed on a Group level and is placed with a limited group of creditable financial institutions, all of which have Moody's P-3 short-term credit ratings. A short-term rating of P-3 indicates that the issuer has a strong ability to repay short-term debt obligations.

Amount expose to credit risk	98,853	591,908	-	-

12. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2018

	Loans and receivables	Fair value through profit or loss	Total
Non-current assets held for sale - Hosken Passenger Logistics and Rail Limited equity securities	-	855,273	855,273
Loans receivable	792	-	792
Trade and other receivables	5,735	-	5,735
Cash and cash equivalents	98,853	-	98,853
	105,380	**855,273**	**960,653**

Group - 2017

	Loans and receivables	Total
Loans receivable	630,967	630,967
Trade and other receivables	1,443	1,443
Cash and cash equivalents	591,908	591,908
	1,224,318	**1,224,318**

Company - 2018

	Loans and receivables	Fair value through profit or loss	Total
Non-current assets held for sale - Hosken Passenger Logistics and Rail Limited equity securities	-	855,273	855,273
Loans to group companies	411,303	-	411,303
	411,303	**855,273**	**1,266,576**

Company - 2017

	Loans and receivables	Total
Loans to group companies	471,399	471,399

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

13. Share capital

Authorised				
200,000,000 (2017: 200,000,000) ordinary profit-sharing shares of R0.00001 each	2	2	2	2
Issued				
68,980,374 (2017: 68,980,374) ordinary profit-sharing shares of R0.00001 each	1	1	1	1
Share premium	425,722	425,722	425,722	425,722
	425,723	**425,723**	**425,723**	**425,723**

14. Deferred tax

Deferred tax liability

Capital allowances	6,308	908	-	-
Fair value remeasurement	46,808	15,099	-	-
Provisions and accruals	278	(72)	-	-
Computed taxation losses	57	57	-	-
Total deferred tax liability	**53,451**	**15,992**	-	-

The amounts disclosed in the statement of financial position are as follows:

Group companies with a net deferred tax liability	53,451	15,992	-	-
Group companies with a net deferred tax asset	-	-	-	-
Total net deferred tax asset (liability)	**53,451**	**15,992**	-	-

Reconciliation of deferred tax asset (liability)

At beginning of year	15,992	53,042	-	-
Charged against profit or loss - Continuing operations	37,459	11,514	-	-
Charged against profit or loss - Discontinued operations	-	(48,564)	-	-
	53,451	**15,992**	-	-

15. Trade and other payables

Trade payables	887	3,204	-	-
Amounts received in advance	261	324	-	-
Other payables and accruals	14,923	390	14,305	371
Deposits received	615	368	-	-
	16,686	**4,287**	**14,305**	**371**

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

16. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Group - 2018

	Financial liabilities at amortised cost	Total
Trade and other payables	16,686	16,686

Group - 2017

	Financial liabilities at amortised cost	Total
Trade and other payables	4,287	4,287

Company - 2018

	Financial liabilities at amortised cost	Total
Trade and other payables	14,305	14,305

Company - 2017

	Financial liabilities at amortised cost	Total
Trade and other payables	371	371

17. Revenue

Turnover	99	-	-	-
Rental income	9,699	4,157	-	-
Dividends received	-	-	1,100,000	-
Recoveries	6,682	3,998	-	-
	16,480	**8,155**	**1,100,000**	**-**

18. Fair value adjustments

Investment property	23,500	67,405	-	-

19. Investment income

Investments and deposits	40,020	20,986	-	-
Promissory notes	38,178	25,723	-	-
	78,198	**46,709**	**-**	**-**

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

20. Expenses by nature

Raw material and consumables used	96	-	-	-
Employee costs	7,055	5,815	-	-
Legal fees	1,176	-	-	-
Depreciation, amortisation and impairment	1,290	3,932	-	-
Auditors' remuneration	165	967	74	160
Advertising and promotions	83	56	-	-
Repairs and maintenance	1,474	1,854	-	-
Penalties	2,237	-	-	-
Operating expenses	7,109	4,657	-	-
Other expenses	2,992	1,960	-	-
	23,677	**19,241**	**74**	**160**

21. Interest income

Bank and other financial assets	1,709	109	-	1

22. Share of equity accounted earnings

Paarl Valley Bottling Company Proprietary Limited	3,925	736	-	-

23. Taxation

Major components of the tax expense

Current				
Local income tax for current period - Continuing operations	20,848	(29,609)	-	-
Deferred				
Originating and reversing temporary differences - Continuing operations	5,840	3,585	-	-
Originating and reversing temporary differences - Discontinued operations	-	46,730	-	-
Deferred tax adjustment prior year	-	5,318	-	-
	5,840	**55,633**	-	-
	26,688	**26,024**	-	-

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28.00 %	28.00 %	28.00 %	28.00 %
Deferred tax not raised on losses	(1.31)%	0.05 %	- %	0.09 %
S12H Learnership agreement deduction	- %	0.04 %	- %	- %
Capital losses and non-deductable expenses	0.93 %	11.29 %	- %	(28.09)%
Change in Capital Gains Tax rate	- %	(0.09)%	- %	- %
Prior year charges	- %	(0.08)%	- %	- %
Exempt income and income from associates	(0.99)%	0.82 %	(28.00)%	- %
	26.63 %	**40.03 %**	**- %**	**- %**

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

23. Taxation (continued)

Gross calculated tax losses available for utilisation against future taxable income	-	203	-	-
Tax relief calculated at current tax rates	-	57	-	-
Utilised to reduce deferred taxation	-	(57)	-	-
Tax relief available for offset against future taxation	**-**	**-**	**-**	**-**

24. Discontinued operations or disposal groups or non-current assets held-for-sale

During May 2016, management decided to dispose of the operating assets of La Concorde South Africa to the Vasari group. Revenue and expenses, and gains and losses relating to these assets have been removed from the results of continuing operations and are shown as a single line item on the face of the statement of comprehensive income ("Profits and (losses) from discontinued operations"). The operating results of the discontinued operations up to its disposal and the effect of re-measurement and disposal of assets that were classified as held-for-sale were as follows:

Profits and (losses) from discontinued operations

Revenue	-	566,898	-	-
Cost of sales	-	(485,173)	-	-
Operating expenses	-	(16,045)	-	-
Impairment of investments in joint ventures	-	(85)	-	-
Interest received	-	411	-	-
Finance costs	-	(688)	-	-
Loss on disposal of business assets	-	(191,222)	-	50,000
Net loss before tax	-	(125,904)	-	-
Tax	-	46,730	-	-
(Loss) profit from discontinued operations	-	(79,174)	-	-
Items that may be reclassified subsequently to profit or loss	-	-	-	-
Foreign currency translation differences	-	(1)	-	-
	-	**(79,175)**	**-**	**50,000**

Assets held for distribution

The current year assets of disposal group classified as held for sale balance represents the 38% shareholding in Hosken Passenger Logistics and Rail Limited ("HPL&R"), which is held for distribution - refer subsequent events note.

25. Earnings per share

The calculation of earnings per share is based on net profit attributable to ordinary shareholders divided by the weighted average number of ordinary shares issued.

Ordinary shares				
Shares issued	68,980	68,980	-	-
Treasury shares	(979)	(979)	-	-
Used in the calculation of earnings per share	68,001	68,001	-	-
Profit or loss for the year (net amount)				
Continuing operations	73,520	77,844	-	-
Discontinued operations	-	(79,175)	-	-
Profit and loss for the year (net amount)	73,520	(1,331)	-	-

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

25. Earnings per share (continued)

Basic and diluted earning per share				
Continuing operations	108.1	114.5		
Discontinued operations	-	(116.4)		

26. Cash generated from operations

Profit (Loss) after taxation	73,520	(1,331)	1,099,926	49,841
Adjustments for:				
Depreciation and amortisation	1,290	18,202	-	-
Gains on foreign exchange	-	(50,304)	-	-
Loss on sale of property, plant and equipment	7	191,030	-	-
Net finance expense (income)	(79,907)	(46,535)	-	-
Taxation	26,688	(20,705)	-	-
Impairment losses and reversals of investment in joint venture	-	85	-	-
Government grant recognised in profit	-	(12,775)	-	-
Losses on disposal, scrappings and settlements of assets and liabilities	-	1,775	-	-
Share profit from associates and joint ventures	(3,925)	(736)	-	-
Fair value adjustments of investment properties	(23,500)	(67,405)	-	-
Other non-cash items	2,324	-	43,674	-
Changes in working capital:				
Inventories	(117)	(23,813)	-	-
Trade and other receivables	205,558	8,485	-	-
Trade and other payables	(484)	29,020	13,934	-
	201,454	**24,993**	**1,157,534**	**49,841**

27. Tax paid

Balance at beginning of the year	(14,428)	43	-	-
Current tax for the year recognised in profit or loss	(20,848)	(61,900)	-	-
Adjustment in respect of businesses sold and acquired during the year including exchange rate movements	-	46,724	-	-
Penalties and interest	(2,340)	-	-	-
Balance at end of the year	13,217	14,428	-	-
	(24,399)	**(705)**	-	-

28. Cash flows of discontinued operations

Net cashflow from operating activities	-	34,407	-	-
Net cashflow from investing activities	-	503,717	-	-
	-	**538,124**	-	-

Notes to the Annual Financial Statements

29. Net cashflow on disposal and analysis of assets and liabilities disposed of

	Group 2018 R '000	Group 2017 R '000	Company 2018 R '000	Company 2017 R '000
Assets				
Property plant and equipment	-	217,920		
Intangible assets	-	14,302		
Investment in associates	-	5,463		
Trade and other receivables	-	212,416		
Derivative financial instruments	-	25,594		
Bank and cash balances	-	54,517		
Inventory	-	1,052,928		
Current income tax assets	-	7		
Liabilities				
Trade and other payables	-	(205,637)		
Borrowings	-	(51)		
Derivative financial instruments	-	(5,992)		
Net asset value	-	1,374,467		
Consideration paid				
- Cash consideration	-	(575,000)		
- Fair value of promissory notes at date of issue	-	(605,245)		
Loss on remeasurement	-	**(191,222)**		
Consideration paid	-	**37.5**		
Cash balances disposed of	-	**(54,517)**		
Cash cosideration received	-	**575,000**		
Net cash received	-	**520,483**		

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

30. Related parties

Relationships	
Ultimate holding company	Hosken Consolidated Investments Limited
Holding company	Niveus Investments Limited
Entities related to Hosken Consolidated Investments Limited and Niveus Investments Limited	Vukani Gaming Corporation Proprietary Limited
	HCI Managerial Services Proprietary Limited
	Niveus Managerial Services Proprietary Limited
	Galaxy Bingo Proprietary Limited
Associates	Paarl Valley Bottling Company Proprietary Limited
Fellow subsidiaries	La Concorde International Proprietary Limited
	La Concorde Projects Proprietary Limited
	La Concorde South Africa Proprietary Limited

Related party balances

	Group 2018 R '000	Group 2017 R '000	Company 2018 R '000	Company 2017 R '000
Loan accounts - Owing by related parties				
La Concorde South Africa Proprietary Limited	-	-	411,303	471,399
Niveus Investments Limited	792	-	-	-
Amounts included in Trade Payable regarding related parties				
Niveus Investments Limited	23	992	-	-
Niveus Managerial Services Proprietary Limited	-	71	-	-
Vukani Gaming Corporation Proprietary Limited	86	986	-	-
Amounts included in Trade Receivables regarding related parties				
E.TV Proprietary Limited	29	-	-	-
Niveus Investments Limited	9	-	-	-

Related party transactions

	Group 2018 R '000	Group 2017 R '000	Company 2018 R '000	Company 2017 R '000
Profit from associates				
Paarl Valley Bottling Company Proprietary Limited	3,925	736	-	-
Sales of goods and services to related parties				
Vukani Gaming Corporation Proprietary Limited	863	1,661	-	-
Galaxy Bingo Proprietary Limited	455	1,735	-	-
Tsogo Sun Holdings Limited	-	175	-	-
Niveus Investments Limited	281	-	-	-
Paarl Valley Bottling Company Proprietary Limited	-	63	-	-
Purchase of goods and services to related parties				
Niveus Investments Limited	-	3,437	-	-
Niveus Managerial Services Proprietary Limited	21	341	-	-
HCI Managerial Services Proprietary Limited	-	296	-	-
Paarl Valley Bottling Company Proprietary Limited	-	989	-	-
Vukani Gaming Corporation Proprietary Limited	6	-	-	-
Compensation to directors and other key management				
Remuneration paid	3,958	3,437	-	-

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

31. Directors' emoluments

Executive

2018

	Salary and fees	Other benefits*	Gains from share options	Performance incentives	Total
*André van der Veen	4,533	699	2,435	2,210	9,877
*Muriel Loftie-Eaton	2,102	45	630	1,252	4,029
*CE Kristal	271	-	-	-	271
Less: Amounts paid by Hosken Consolidated Investments Limited and Niveus Investments Limited	(6,906)	(744)	(3,065)	(3,462)	(14,177)
	-	-	-	-	-

2017

	Salary and fees	Retirement contributions	Gains from share options	Performance incentives	Other allowances or benefits	Total
*André van der Veen	4,217	-	20,636	2,741	839	28,433
Daniël Smit	582	32	-	150	140	904
Albert Wynand Eksteen	354	31	-	20	113	518
MM Loftie-Eaton	1,827	-	6,085	1,188	45	9,145
Less: Amounts paid by Hosken Consolidated Investments Limited and Niveus Investments Limited	(6,044)	-	(26,721)	(3,929)	(884)	(37,578)
	936	63	-	170	253	1,422

* Management fees paid to Niveus Investments Limited and HCI Managerial Services Proprietary Limited for services as directors and other services.

Non-executive

2018

	Salary and fees	Total
F du Plessis	110	110
NL Ellis	90	90
JA Copelyn	90	90
Y Shaik	90	90
	380	380

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

31. Directors' emoluments (continued)

2017

	Salary and fees	Total
F du Plessis	110	110
NL Ellis	90	90
MJA Golding	100	100
JA Copelyn	90	90
MM Mhlarhi	60	60
KI Mampeule	60	60
MN Joubert	60	60
LA van DYK	73	73
	643	**643**

Notes:
This remuneration is diclosed in terms of the Companies Act due to the fact that La Concorde Holdings is a subsidiary of Hosken Consolidated Group.

The only costs relating to these directors that are borne by the La Concorde Group are the non-executive directors' fees and management fees.

32. Commitments

Capital commitments

	Group 2018	Group 2017	Company 2018	Company 2017
• Not yet contracted for and authorised by directors	-	3,472	-	-
	-	**3,472**	-	-

This capital expenditure will be financed from own resources and borrowings.

33. Events after the reporting period

Subsequent to year-end, La Concorde unbundled the shares in Hosken Passenger Logistics and Rail Limited to La Concorde shareholders by way of a distribution in specie. On 13 April 2018 the company declared a dividend in specie of 1.59466 Hosken Passenger Logistics and Rail Limited shares per La Concorde Holdings Limited share.

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

34. Risk management

Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the group consists of cash and cash equivalents disclosed in note 11, and equity as disclosed in the statement of financial position

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the group monitors capital on the basis of the gearing ratio.

This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

Liquidity risk

The group's risk to liquidity is a result of the funds available to cover future commitments. The group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the group's financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group

At March 31, 2018	Less than 1 year
Trade and other payables	16,685

At March 31, 2017	Less than 1 year
Trade and other payables	4,288

Company

At March 31, 2018	Less than 1 year
Trade and other payables	14,305

At March 31, 2017	Less than 1 year
Trade and other payables	371

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

34. Risk management (continued)

Interest rate risk

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Due to significant cash instruments, movements in market interest rates influences income. Interest rate risk is managed by the Group treasury function by using approved counterparties that offer the best rates.

At 31 March the Group's interest-bearing financial instruments were bank balances.

Sensitivity analysis for variable rate instruments:

A change of 100 basis points in the interest rate received on bank balances would have increased or decreased profit after tax by approximately R711 742.

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Management evaluated credit risk relating to customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board.

Foreign exchange risk

The group operates only in South Africa and is not exposed to any foreign exchange risk.

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all instruments traded in the market. The group is not exposed to significant price risk.

35. Changes in accounting policy

The annual financial statements have been prepared in accordance with International Financial Reporting Standards on a basis consistent with the prior year except for the change in accounting policy.

IAS 40 Investment Property

Management decided to change the accounting policy of investment property 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 group did not present a third statement of financial position because at the time the group had no Investment property.

The aggregate effect of the changes in accounting policy on the annual financial statements for the year ended March 31, 2017 is as follows:

Notes to the Annual Financial Statements

	Group		Company	
	2018 R '000	2017 R '000	2018 R '000	2017 R '000

35. Changes in accounting policy (continued)

Statement of Financial Position

Property, plant and equipment				
Previously stated	-	953	-	-
Adjustment	-	67,405	-	-
	-	**68,358**	-	-
Deferred tax				
Previously stated	-	(893)	-	-
Adjustment	-	(15,099)	-	-
	-	**(15,992)**	-	-
Opening retained earnings				
Previously stated	-	28,222	-	-
Adjustment	-	52,306	-	-
	-	**80,528**	-	-

Profit or Loss

Fair value adjustment				
Previously stated	-	-	-	-
Adjustment	-	67,405	-	-
	-	**67,405**	-	-
Taxation				
Previously stated	-	(10,925)	-	-
Adjustment	-	(15,099)	-	-
	-	**(26,024)**	-	-
Earnings per share from continuing operations				
Previously stated	-	37.5	-	-
Adjustment	-	77.0	-	-
	-	**114.5**	-	-

Statement of Cash Flows

The only aggregate effect of the change in accounting policy on the Statement of Cash Flows for the year ended March 31, 2017 is the restatement of Cash generated from operations as disclosed in note 26.

36. Segments

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

Notes to the Annual Financial Statements

		Group		Company	
		2018 R '000	2017 R '000	2018 R '000	2017 R '000

37. Fair value information

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

The following assets and liabilities are measured at fair value:

Level 3

Assets	Note(s)				
Investment property	4	262,758	68,358	-	-
Non-current assets held for sale - Hosken Passenger Logistics and Rail Limited equity securities	24	855,273	-	-	-
Total		**1,118,031**	**68,358**	**-**	**-**

Reconciliation of assets and liabilities measured at level 3

	Note(s)	Opening balance	Additions	Transfer from property, plant and equipment	Fair value adjustment	Closing balance
Group - 2018						
Assets						
Investment property	4	68,358	11,274	159,626	23,500	262,758
Non-current assets held for sale - Hosken Passenger Logistics and Rail Limited equity securities	24	-	855,273	-	-	855,273
Total		**68,358**	**866,547**	**159,626**	**23,500**	**1,118,031**
Group - 2017						
Assets						
Investment property	4	953	-	-	67,405	68,358
Total		**953**	**-**	**-**	**67,405**	**68,358**

Annexure A: Associates

as at 31 March 2018

	Total 2018 R'000	Paarl Valley Bottling 2018 R'000	Total 2017 R'000	Paarl Valley Bottling 2017 R'000
ASSOCIATES				
SUMMARY OF ASSETS AND LIABILITIES				
as at 31 March				
Non-current assets				
Property, plant and equipment	59 482	59 482	58 242	58 242
Current assets	41 264	41 264	34 772	34 772
Inventory	11 553	11 553	12 271	12 271
Trade and other receivables	22 867	22 867	16 198	16 198
Financial assets	100	100	100	100
Personnel loan account	(5)	(5)	12	12
Cash and cash equivalents	6 749	6 749	6 191	6 191
Total assets	100 746	100 746	93 014	93 014
Total equity				
Ordinary shareholders' funds	58 154	58 154	51 260	51 260
Non-current liabilities	24 202	24 202	24 600	24 600
Long-term liabilities	20 956	20 956	23 118	23 118
Deferred taxation	3 246	3 246	1 482	1 482
Current liabilities	18 390	18 390	17 154	17 154
Trade payables and provisions	16 127	16 127	17 062	17 062
Provision	2 263	2 263	92	92
Total equity and liabilities	100 746	100 746	93 014	93 014
RESULTS OF OPERATIONS				
for the year ended 31 March				
Revenue	75 903	75 903	119 354	119 354
Net profit / (loss) attributable to ordinary shareholders	9,145	9 145	2 382	2 382

Financial information of material associates are disclosed above.

The group's financial year-end differs from that of Paarl Valley Bottling Company Proprietary Limited (31 January). For the purposes of these financial statements the results according to the management accounts to 31 March were used.