



LA CONCORDE

Registration number: 2009/012871/06

LA CONCORDE HOLDINGS LIMITED

**UNAUDITED GROUP
INTERIM RESULTS**

for the six months ended
30 September 2019

CONTENTS

Consolidated statement of financial position	1
Consolidated statement of profit or loss	2
Consolidated statement of changes in equity	3
Consolidated statement of cash flows	4
Notes to the condensed consolidated financial statements	5 - 9
Commentary from the chief executive officer	9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2019

		Unaudited		Audited
	Notes	30 September 2019 R'000	30 September 2018 R'000	31 March 2019 R'000
ASSETS				
Non-current assets		226 509	315 657	206 146
Property, plant and equipment		2 137	3 307	2 443
Investment properties	3	181 246	263 622	153 900
Intangible assets		150	236	185
Investment in associate	4	10 000	18 032	19 082
Other financial assets	5	24 750	30 460	24 014
Deferred tax	6	6 471	-	6 522
Finance lease receivable		1 755	-	-
Current assets		40 390	54 135	64 326
Trade and other receivables		11 750	4 523	11 174
Inventories		121	117	119
Loans receivable		943	792	782
Taxation		-	-	687
Cash and cash equivalents		27 576	48 703	51 564
Total assets		266 899	369 792	270 472
EQUITY AND LIABILITIES				
Equity		224 287	298 314	227 542
Ordinary share capital		1	1	1
Share premium		420 711	420 711	420 711
Other reserves		109 539	896 769	109 539
Retained losses		(310 214)	(1 019 167)	(302 709)
Non-controlling interest		4 250	-	-
Non-current liabilities		26 788	53 451	28 770
Lease liability		1 613	-	-
Deferred taxation	6	25 175	53 451	28 770
Current liabilities		15 824	18 027	14 160
Trade and other payables		13 456	15 544	14 160
Financial liabilities		1 159	-	-
Taxation		1 209	2 483	-
Total equity and liabilities		266 899	369 792	270 472

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2019

	Unaudited		Audited
	30 September 2019 R'000	30 September 2018 R'000	31 March 2019 R'000
Revenue	3 478	3 681	8 063
Property rental income	5 459	5 433	10 662
Fair value adjustments of financial instruments	654	(18 207)	(24 893)
Fair value adjustments of investment properties	-	-	(111 640)
Operating expenses	(10 293)	(11 739)	(20 562)
Impairment of investment in associate	(10 986)	-	-
Depreciation and amortisation	(361)	(852)	(746)
Operating loss	(12 049)	(21 684)	(139 116)
Share of associate earnings	2 223	1 327	2 377
Investment income	3 725	2 242	15 123
Finance costs	(83)	-	(1)
Loss before taxation	(6 184)	(18 115)	(121 617)
Taxation	(1 321)	(255)	31 496
Loss for the period	(7 505)	(18 370)	(90 121)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	(7 505)	(18 370)	(90 121)
Earnings per share (cents)			
Basic earnings	(11,1)	(27,0)	(132,9)
Headline earnings	5,1	(27,0)	(5,1)
Shares in issue			
Number of shares issued (‘000)	68 980	68 980	68 980
Treasury shares (‘000)	(1 267)	(979)	(979)
Share buy back (‘000)	-	(54)	(198)
Net weighted average number of shares in issue	67 713	67 947	67 803

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2019

	Unaudited		Audited
	30 September 2019 R'000	30 September 2018 R'000	31 March 2019 R'000
Balance at beginning of the period	227 542	1 161 396	1 161 396
Total comprehensive loss for the period	(7 505)	(18 370)	(90 121)
Repurchase of shares	-	(5 011)	(5 011)
Dividends	-	(839 701)	(838 722)
Transaction with non-controlling shareholder	4 250	-	-
Balance at end of the period	224 287	298 314	227 542

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2019

		Unaudited		Audited
	Notes	30 September 2019 R'000	30 September 2018 R'000	31 March 2019 R'000
Cash flows from operating activities		(1 935)	(10 352)	(4 875)
Cash utilised in operations	7	(1 326)	(2 600)	(1 841)
Changes in working capital	7	(1 282)	995	(7 140)
Cash (utilised)/generated by operating activities		(2 608)	(1 605)	(8 981)
Investment income		3 725	2 242	15 123
Finance costs		(83)	-	(1)
Taxation paid	7	(2 969)	(10 989)	(11 016)
Cash flows from investing activities		(22 053)	(34 787)	(37 403)
Investment in associate		319	426	426
Additions to investment property		(27 600)	(1 425)	(2 295)
Additions to property, plant and equipment		(20)	(206)	(233)
Proceeds on disposal of property, plant and equipment		-	238	238
Transactions with non-controlling shareholders		4 250	-	-
Intangible assets acquired		-	(69)	(69)
Investment in financial assets		-	(33 751)	(35 480)
Proceeds from financial liabilities		1 159	-	-
Loans receivable advances		(161)	-	10
Cash flows from financing activities		-	(5 011)	(5 011)
Ordinary share buy back		-	(5 011)	(5 011)
Cash and cash equivalents		(23 988)	(50 150)	(47 289)
Movements		51 564	98 853	98 853
At beginning of period		51 564	98 853	98 853
At end of period		27 576	48 703	51 564

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2019

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the period ended 30 September 2019 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IAS 34 - Interim Financial Reporting, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the South African Companies Act, No. 71 of 2008 (as amended). The accounting policies of the group are consistent with those applied for the year ended 31 March 2019. The Company adopted IFRS 16 in the current period, which resulted in the Company recognising a finance lease asset and lease liability at the beginning of the period of R1,7 million. These financial statements were prepared under the supervision of the financial director, Mr AF Pereira CA(SA).

2. SEGMENTS

The group is an investment company, no separately identifiable operating segments exist.

	Unaudited		Audited
	September 2019 R'000	September 2018 R'000	March 2019 R'000
3. INVESTMENT PROPERTIES			
Investment properties consist of:			
Investment properties at fair value	181 246	263 622	153 900
	181 246	263 622	153 900
Reconciliation of carrying value			
At the beginning of the period	153 900	262 758	262 758
Fair value adjustments	-	-	(111 640)
Transfer from property, plant and equipment	-	-	486
Additions	27 600	864	2 296
Other transfers	(254)	-	-
At the end of the period	181 246	263 622	153 900

Investment properties are stated at fair value.

The group engages external, independent and qualified valuers to determine the fair value of the group's investment properties as required by the Board.

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2019

	Unaudited		Audited
	September 2019 R'000	September 2018 R'000	March 2019 R'000
3. INVESTMENT PROPERTIES (continued)			
Investment properties consist of:			
Erf 31403, Main Street House, Paarl, Western Cape, 549m ²	4 000	5 000	4 000
Erf 11919, De Hoop Farm, Paarl, Western Cape, in extent of 3,3 ha	40 228	25 000	13 200
Erf 23407, Worcester, Western Cape, in extent of 6 602m ²	1 100	1 650	1 100
Erf 31366, Picardi Farm, Paarl, Western Cape, in extent of 16,4 ha	9 000	35 000	9 000
Erf 212, 213, 214, 223 and 224, Klapmuts erven, in extent of 5 502m ²	1 100	1 208	1 100
Erf 8677, Paarl, Western Cape, in extent of 2,4702 ha	13 000	24 000	13 000
Erf 8676, Paarl, Western Cape, in extent of 2,5849 ha	50 318	74 264	50 000
Erf 13004, Paarl, Western Cape, in extent of 44,3918 ha	62 500	97 500	62 500
	181 246	263 622	153 900
4. INVESTMENT IN ASSOCIATE			
Carrying value at the beginning of the period	19 082	17 131	17 131
Share of equity accounted earnings	2 223	1 327	2 377
Dividends	(319)	(426)	(426)
Impairment	(10 986)	-	-
Carrying value at the end of the period	10 000	18 032	19 082

The value of the Company's investment in Paarl Valley Bottling Company was reviewed based on forecast volumes and profitability and impaired to a value more reflective of its realisable value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2019

	Unaudited		Audited
	September 2019 R'000	September 2018 R'000	March 2019 R'000
5. OTHER FINANCIAL ASSETS			
Financial assets carried at fair value through profit or loss			
Equity securities	24 750	30 460	24 014
Current portion	-	-	-
Non-current portion	24 750	30 460	24 014
	24 750	30 460	24 014

Fair value of equity securities carried at fair value through profit or loss

The fair value of the listed equity instruments was determined using the quoted price available for the instruments.

6. DEFERRED TAX			
Movements in deferred taxation			
At the beginning of the period	(22 248)	(53 451)	(53 451)
Asset revaluations	3 808	-	26 154
Accelerated tax allowances	(215)	-	(209)
Provisions and accruals	7	-	114
Other financial assets	(56)	-	5 144
At the end of the period	(18 704)	(53 451)	(22 248)
Composition of deferred taxation			
Deferred taxation assets	6 471	-	6 522
Deferred taxation liabilities	(25 175)	(53 451)	(28 770)
	(18 704)	(53 451)	(22 248)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the period ended 30 September 2019

	Unaudited		Audited
	September 2019 R'000	September 2018 R'000	March 2019 R'000
7. NOTES TO THE CASH FLOW STATEMENT			
Cash generated by operations			
Loss for the period	(7 505)	(18 370)	(90 121)
Taxation	1 321	255	(31 496)
Depreciation and amortisation	361	852	746
Gain on disposal of property, plant and equipment	-	-	(4)
Impairment of investment in associate	10 986	-	-
Equity accounted earnings	(2 223)	(1 327)	(2 377)
Fair value adjustments of investment properties	-	-	111 640
Fair value adjustments of financial instruments	(654)	18 207	24 893
Investment income	(3 725)	(2 242)	(15 123)
Finance cost	83	-	1
Other non-cash items	30	25	-
	(1 326)	(2 600)	(1 841)
Changes in working capital			
Inventory	(2)		(2)
Trade and other receivables	(576)	1 510	(5 141)
Trade and other payables	(704)	(515)	(1 997)
	(1 282)	995	(7 140)
Taxation paid			
Unpaid at the beginning of the period	687	(13 217)	(13 217)
Charged to the statement of profit or loss	(4 865)	(255)	291
Penalties and interest	-	-	2 499
Other non-cash	-	-	98
Unpaid at the end of the period	1 209	2 483	(687)
	(2 969)	(10 989)	(11 016)
Cash and cash equivalents			
Bank balances and deposits	27 576	48 703	51 564

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the six months ended 30 September 2019

7. NOTES TO THE CASH FLOW STATEMENT (continued)

Fair value of cash and cash equivalents

The carrying value of cash and cash equivalents approximates fair value due to the short-term maturity of these instruments.

8. EVENTS AFTER REPORTING PERIOD

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

9. DIVIDENDS

Due to reduced liquidity in the group and property developments which commenced at the De Hoop site, the Board has resolved not to declare an interim dividend.

COMMENTARY FROM THE CHIEF EXECUTIVE OFFICER

The assets of La Concorde consist mainly of investment property, art and cash, as well as Hosken Passenger Logistics & Rail shares acquired during the acquisition and distribution of the Group's interest in that company. The La Concorde office building is nearly fully tenanted and improved utilisation of the Laborie estate's existing facilities is being considered. Further development of other properties is being considered, however, the current zoning of these properties will naturally result in significant delays.

During the period the group developed a portion of its De Hoop property (renamed Cecelia Precinct) which houses a Builders Express. Builders Express commenced trading on 24 October 2019. Further development of this property will be subject to obtaining certain council approvals.

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

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

The Company issued a circular to shareholders on 20 November 2019 in respect of an odd-lot offer. The offer will open on 28 November 2019 and will allow La Concorde to repurchase the shares of holders of less than 9 500 shares at R3.25 per share. Holders of these shares are entitled to elect not to have their shares repurchased, however, this offer presents an opportunity to exit to shareholders that may otherwise not be able to locate buyers for their shares. The Company has furthermore been informed that HCI will extend an offer to purchase the shares of those holders who hold more than 9 500 shares at a similar price to that of the odd-lot offer.

Signed on behalf of the board of directors

Lael Bethlehem

Chief executive officer

Paarl

22 November 2019



DIRECTORS

JA Copelyn, LI Bethlehem, AF Pereira, Y Shaik

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

REGISTERED OFFICE

La Concorde Building, 57 Main Street, Paarl, 7646

WEBSITE

www.laconcordeholdings.co.za

TRANSFER SECRETARIES

Computershare Investor Services