



LA CONCORDE

Registration number: 2009/012871/06

LA CONCORDE HOLDINGS LIMITED

UNAUDITED GROUP INTERIM RESULTS

for the six months ended 30 September 2021

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2021

		Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000	Audited 31 March 2021 R'000
	Notes			
ASSETS				
Non-current assets		229 655	159 784	174 920
Property, plant and equipment		3 403	1 981	2 416
Investment properties	3	176 117	117 513	131 314
Intangible assets		95	86	64
Investment in associate	4	14 309	11 251	12 187
Other financial assets	5	25 910	18 859	19 022
Deferred tax	6	7 999	8 304	8 182
Finance lease receivable		1 822	1 790	1 735
Current assets		104 619	49 649	107 923
Inventory		232	290	287
Trade and other receivables		2 808	2 927	2 533
Taxation		2 453	709	2 437
Cash and cash equivalents	7	99 126	45 723	102 666
Non-current asset held for sale		-	73 000	374
Total assets		334 274	282 433	283 217
EQUITY AND LIABILITIES				
Equity		231 802	207 685	221 831
Ordinary share capital		1	1	1
Share premium		408 986	409 804	408 986
Other reserves		-	109 539	-
Accumulated losses		(182 325)	(316 068)	(192 087)
Non-controlling interest		5 140	4 409	4 931
Non-current liabilities		93 594	60 979	51 391
Borrowings	8	72 283	34 621	31 820
Lease liability		1 822	1 790	1 735
Deferred taxation	6	19 489	24 568	17 836
Current liabilities		8 878	13 769	9 995
Trade and other payables		2 433	12 036	4 783
Current portion of borrowings	8	6 445	1 733	5 212
Total equity and liabilities		334 274	282 433	283 217

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2021

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Revenue	2 081	3 712
Property rental income	4 202	5 720
Income	6 283	9 432
Other operating expenses and income	(9 035)	(10 580)
Depreciation and amortisation	(314)	(362)
Operating loss	(3 066)	(1 510)
Investment income	3 755	3 052
Fair value adjustments of financial instruments	6 888	(1 363)
Fair value adjustments of investment properties	-	(87)
Investment surplus	3 257	-
Share of equity-accounted earnings	2 624	1 148
Finance costs	(1 651)	(1 431)
Profit/(loss) before taxation	11 807	(191)
Taxation	(1 836)	406
Profit for the period	9 971	215
Attributable to:		
Equity holders of the parent	9 762	162
Non-controlling interest	209	53
	9 971	215
Earnings per share (cents)		
Basic earnings	15.2	0.3
Headline earnings	11.3	0.4
Shares in issue		
Number of shares in issue ('000)	64 116	65 633
Treasury shares ('000)	-	(1 267)
Net weighted average number of shares in issue ('000)	64 116	64 366

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2021

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Balance at the beginning of the period	221 831	206 102
Profit for the period attributable to equity holders of the parent	9 762	162
Profit for the period attributable to non-controlling interest	209	53
Dividends prescribed	-	1 368
Balance at the end of the period	231 802	207 685

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2021

	Notes	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Cash flows from operating activities			
Net cash from operating activities		(3 232)	(113)
Cash utilised by operations	7	(2 750)	(1 149)
Changes in working capital	7	(2 570)	(573)
Cash utilised by operating activities		(5 320)	(1 722)
Investment income		3 755	3 052
Finance costs		(1 651)	(1 431)
Taxation paid	7	(16)	(12)
Cash flows from investing activities		(42 004)	(1 185)
Dividend from associate		502	-
Additions to investment property		(44 803)	(1 161)
Proceeds on disposal of investment property		401	-
Additions to property, plant and equipment		(1 285)	(24)
Proceeds on disposal of property, plant and equipment		3 228	-
Intangible assets acquired		(47)	-
Cash flows from financing activities		41 696	12
Borrowings raised		43 861	12
Borrowings repaid		(2 165)	-
Cash and cash equivalents			
Movements		(3 540)	(1 286)
At the beginning of the period		102 666	47 009
At the end of the period		99 126	45 723

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2021

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the period ended 30 September 2021 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 2021. These financial statements were prepared under the supervision of the director, Mr AF Pereira CA(SA).

2 SEGMENTS

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

3 INVESTMENT PROPERTIES

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Investment properties at fair value	174 182	117 513
Non-current operating lease equalisation assets	1 935	-
	176 117	117 513
Reconciliation of carrying value		
At the beginning of the period	131 314	189 439
Fair value adjustments	-	(87)
Additions	44 803	1 161
Transfer from/(to) non-current assets held for sale	-	(73 000)
At the end of the period	176 117	117 513
Investment properties are stated at fair value.		
Investment property is in level 3 of the fair value hierarchy.		
Investment properties consist of:		
Erf 31403, Main Street House, Paarl, Western Cape, 549 m ²	4 000	4 000
Erf 11919, De Hoop Farm, Paarl, Western Cape, in extent of 3.3 ha	108 275	56 584
Erf 212, 213, 214 and 224, Klapmuts erven, in extent of 4 788 m ²	1 296	1 100
Erf 13004, Paarl, Western Cape, in extent of 44.4 ha	62 546	55 829
	176 117	117 513

4 INVESTMENTS IN ASSOCIATE

Name of associate	Place of business	Principal activity	2021		2020	
			%	%	R'000	R'000
Paarl Vallei Bottling Company Proprietary Limited	South Africa	Bottling	30.9	30.9	14 309	11 251
					14 309	11 251
Reconciliation of investment in associate						
At the beginning of the period					12 187	10 103
Share of profits					2 624	1 148
Dividend received					(502)	-
					14 309	11 251

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2021 *(continued)*

5 OTHER FINANCIAL ASSETS

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Financial assets carried at fair value through profit or loss		
Equity securities	25 910	18 859
Non-current portion	25 910	18 859

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 TAXATION

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Movements in deferred taxation		
At the beginning of the period	(9 654)	(16 671)
Asset revaluations	49	2 947
Accelerated tax allowances	(1 702)	(3 632)
Provisions and accruals	(10)	(136)
Assessed losses	1 370	59
Other	(1 543)	1 169
At the end of the period	(11 490)	(16 264)
Composition of deferred taxation		
Deferred taxation assets	7 999	8 304
Deferred taxation liabilities	(19 489)	(24 568)
	(11 490)	(16 264)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2021 (continued)

7 NOTES TO THE CASH FLOW STATEMENT

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Cash generated by operations		
Profit for the period	9 971	215
Taxation	1 836	(406)
Depreciation and amortisation	314	362
Share of equity-accounted earnings	(2 624)	(1 148)
Fair value adjustments of investment properties	-	87
Fair value adjustments of financial instruments	(6 888)	1 363
Investment income	(3 755)	(3 052)
Finance costs	1 651	1 431
Investment surplus	(3 257)	-
Other non-cash items	2	(1)
	(2 750)	(1 149)
Changes in working capital		
Inventory	55	(7)
Trade and other receivables	(275)	(642)
Trade and other payables	(2 350)	76
	(2 570)	(573)
Taxation paid		
Unpaid at the beginning of the period	2 437	697
Unpaid at the end of the period	(2 453)	(709)
	(16)	(12)
Cash and cash equivalents		
Bank balances and deposits	99 126	45 723

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2021 *(continued)*

8 BORROWINGS

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Bank mortgages	74 977	33 831
Loans from non-controlling interests	3 751	2 523
	78 728	36 354
Current portion of borrowings	(6 445)	(1 733)
	72 283	34 621
Secured	74 977	33 831
Unsecured	3 751	2 523
	78 728	36 354

Loans from non-controlling interests, which includes an amount of R3.8 million (September 2020: R2.5 million) owing to Bell Vue Developments Proprietary Limited, are unsecured, bear no interest and have no fixed terms of repayment.

The bank borrowings bear interest at an effective rate of 6.94% (the fixed borrowings bear interest at 8.7% and the variable borrowings bear interest at prime less 1% and JIBAR plus 2.6%). The facility is repayable in 60 instalments with a residual of approximately 72% maturing approximately 7 July 2025 and 10 November 2026.

Movements in the carrying value of borrowings are as follows:

	Long-term borrowings R'000	Short-term borrowings R'000	Total R'000
Group			
2021			
Carrying value at the beginning of the period	31 820	5 212	37 032
Cash flows			
Raising of new debt	40 463	3 398	43 861
Debt repayments	-	(2 165)	(2 165)
Carrying value at the end of the period	72 283	6 445	78 728
2020			
Carrying value at the beginning of the period	33 046	3 296	36 342
Cash flows			
Raising of new debt	-	12	12
Non-cash			
Reclassification	1 575	(1 575)	-
Carrying value at the end of the period	34 621	1 733	36 354

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2021 *(continued)*

8 BORROWINGS (continued)

The following represents the book value of the security for these borrowings:

	Unaudited 30 September 2021 R'000	Unaudited 30 September 2020 R'000
Investment properties*	108 275	56 584
	%	%
Weighted average effective interest rates	6.94	6.75

* Investment properties, with a carrying value of R108.3 million (2020: R56.6 million), relates to La Concorde Builders Precinct properties over which mortgage bonds have been registered in favour of the debt funding providers to La Concorde Group included in borrowings.

All funding is denominated in South African Rands and bear interest at a floating and fixed rate. At 30 September 2021 the carrying value of borrowings approximates their fair value as market-related rates have been applied to discount the instruments.

9 EVENTS AFTER REPORTING PERIOD

The directors are not aware of any other material events which occurred after the reporting date and up to the date of this report.

10 GOING CONCERN

The directors reviewed the 2022 forecast to assess the impact of the coronavirus pandemic and no risks were identified which would impact the Company's status as a going concern. The directors believe that the Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis.

11 DIVIDENDS

The Board has resolved not to declare an interim dividend.

COMMENTARY FROM THE CHIEF EXECUTIVE OFFICER

The assets of La Concorde consist of investment property, art and cash, as well as Frontier Transport Holdings (previously known as Hosken Passenger Logistics & Rail ("Frontier")) shares acquired during the acquisition and distribution of the group's interest in that company. Further development of properties is continuously being evaluated.

During the period the income generated mainly consisted of rental income, recoveries of utilities and interest and dividend income.

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

Fair value adjustments to shares resulted from the increase in the traded price of Frontier shares. During the current period, a dividend of R1.6 million was received from Frontier.

The group concluded a sale agreement in March 2021 in terms of which Erf 223, Klapmuts, was sold for R0.37 million. The transfer was successfully completed on 5 May 2021.

The group completed the Food Lovers Market ("FLM") development during August 2021. FLM started trading from 20 August 2021. Furthermore, some enhancements to the Laborie Farm are currently in progress.

The coronavirus pandemic has had a significant impact on the reduced operations of the group. The longevity of the pandemic and consequent impact on the future profitability of the Company's business, however, remain uncertain.

Signed on behalf of the Board of directors

Cisco Pereira
Director

Cape Town
25 November 2021

**REG NO.**

2009/012871/06

DIRECTORS

JA Copelyn, LI Bethlehem, AF Pereira and Y Shaik

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

REGISTERED OFFICE

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WEBSITE

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AUDITORS

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TRANSFER SECRETARIES

Computershare Investor Services Proprietary
Limited