



LA CONCORDE

Registration number: 2009/012871/06

LA CONCORDE HOLDINGS LIMITED

UNAUDITED GROUP INTERIM RESULTS

for the six months ended 30 September 2022

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 September 2022

	Notes	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000	Audited 31 March 2022 R'000
ASSETS				
Non-current assets		281 008	229 655	252 709
Property, plant and equipment		9 183	3 403	6 571
Right-of-use assets		132	-	164
Investment properties	3	217 630	176 117	192 813
Intangible assets		136	95	145
Investment in associate	4	16 752	14 309	15 821
Other financial assets	5	29 386	25 910	31 598
Deferred tax	6	5 912	7 999	3 809
Finance lease receivable		1 877	1 822	1 788
Current assets		66 179	104 619	93 498
Inventory		1 832	232	575
Trade and other receivables		3 273	2 808	3 595
Taxation		2 199	2 453	2 204
Cash and cash equivalents	7	58 875	99 126	87 124
Non-current asset held for sale		-	-	346
Total assets		347 187	334 274	346 553
EQUITY AND LIABILITIES				
Equity		237 397	231 802	236 281
Ordinary share capital		1	1	1
Share premium		408 986	408 986	408 986
Accumulated losses		(177 786)	(182 325)	(178 608)
Non-controlling interest		6 196	5 140	5 902
Non-current liabilities		99 575	93 594	99 212
Borrowings	8	75 464	72 283	77 122
Lease liability		1 982	1 822	1 928
Deferred taxation	6	22 129	19 489	20 162
Current liabilities		10 215	8 878	11 060
Trade and other payables		2 854	2 433	4 189
Current portion of borrowings	8	7 361	6 445	6 871
Total equity and liabilities		347 187	334 274	346 553

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

for the six months ended 30 September 2022

	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000
Revenue	9 044	2 453
Property rental income	7 571	3 830
Income	16 615	6 283
Other operating expenses and income	(15 119)	(9 035)
Depreciation and amortisation	(751)	(314)
Operating profit/(loss)	745	(3 066)
Investment income	3 991	3 755
Fair value adjustments of financial instruments	(2 212)	6 888
Investment surplus	54	3 257
Share of equity-accounted earnings	1 637	2 624
Finance costs	(3 234)	(1 651)
Profit before taxation	981	11 807
Taxation	135	(1 836)
Profit for the period	1 116	9 971
Attributable to:		
Equity holders of the parent	822	9 762
Non-controlling interest	294	209
	1 116	9 971
Earnings per share (cents)		
Basic earnings	1.3	15.2
Headline earnings	1.3	11.3
Shares in issue		
Number of shares in issue ('000)	64 116	64 116
Net weighted average number of shares in issue ('000)	64 116	64 116

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 September 2022

	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000
Balance at the beginning of the period	236 281	221 831
Profit for the period attributable to equity holders of the parent	822	9 762
Profit for the period attributable to non-controlling interest	294	209
Balance at the end of the period	237 397	231 802

CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 September 2022

	Notes	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000
Cash flows from operating activities			
Net cash from/(to) operating activities		6	(3 232)
Cash produced/(utilised) by operations	7	1 429	(2 750)
Changes in working capital	7	(2 237)	(2 570)
Cash (utilised)/generated by operating activities		(808)	(5 320)
Investment income		3 901	3 755
Finance costs		(3 092)	(1 651)
Taxation paid	7	5	(16)
Cash flows from investing activities		(27 034)	(42 004)
Dividend from associate		706	502
Additions to investment property		(26 220)	(44 803)
Proceeds on disposal of investment property		400	401
Additions to property, plant and equipment		(1 912)	(1 285)
Proceeds on disposal of property, plant and equipment		-	3 228
Intangible assets acquired		(8)	(47)
Cash flows from financing activities		(1 221)	41 696
Borrowings raised		-	43 861
Borrowings repaid		(1 221)	(2 165)
Cash and cash equivalents			
Movements		(28 249)	(3 540)
At the beginning of the period		87 124	102 666
At the end of the period		58 875	99 126

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2022

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the period ended 30 September 2022 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 2022. 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 2022 R'000	Unaudited 30 September 2021 R'000
Investment properties at fair value	213 670	174 182
Non-current operating lease equalisation assets	3 960	1 935
	217 630	176 117
Reconciliation of carrying value		
At the beginning of the period	192 813	131 314
Additions	24 817	44 803
At the end of the period	217 630	176 117
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	9 125	4 000
Erf 11919, De Hoop Farm, Paarl, Western Cape, in extent of 3.3 ha	144 161	108 275
Erf 212, 214 and 224, Klapmuts erven, in extent of 3 591 m ²	605	1 296
Erf 13004, Paarl, Western Cape, in extent of 44.4 ha	63 739	62 546
	217 630	176 117

4 INVESTMENTS IN ASSOCIATE

Name of associate	Place of business	Principal activity	2022		2021	
			%	%	2022 R'000	2021 R'000
Paarl Vallei Bottling Company Proprietary Limited	South Africa	Bottling	30.9	30.9	16 752	14 309
					16 752	14 309
Reconciliation of investment in associate						
At the beginning of the period					15 821	12 187
Share of profits					1 637	2 624
Dividend received					(706)	(502)
					16 752	14 309

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2022 (continued)

5 OTHER FINANCIAL ASSETS

	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000
Financial assets carried at fair value through profit or loss		
Equity securities	29 386	25 910
Non-current portion	29 386	25 910

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 2022 R'000	Unaudited 30 September 2021 R'000
Movements in deferred taxation		
At the beginning of the period	(16 353)	(9 654)
Asset revaluations	(153)	49
Accelerated tax allowances	(1 814)	(1 702)
Provisions and accruals	152	(10)
Assessed losses	1 800	1 370
Fair value remeasurements of listed and unlisted shares	479	-
Lease smoothing	-	(1 543)
Other	(328)	-
At the end of the period	(16 217)	(11 490)
Composition of deferred taxation		
Deferred taxation assets	5 912	7 999
Deferred taxation liabilities	(22 129)	(19 489)
	(16 217)	(11 490)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2022 (continued)

7 NOTES TO THE CASH FLOW STATEMENT

	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000
Cash generated by operations		
Profit for the period	1 116	9 971
Taxation	(135)	1 836
Depreciation and amortisation	751	314
Share of equity-accounted earnings	(1 637)	(2 624)
Fair value adjustments of financial instruments	2 212	(6 888)
Investment income	(3 991)	(3 755)
Finance costs	3 234	1 651
Investment surplus	(54)	(3 257)
Other non-cash items	(67)	2
	1 429	(2 750)
Changes in working capital		
Inventory	(1 257)	55
Trade and other receivables	418	(275)
Trade and other payables	(1 398)	(2 350)
	(2 237)	(2 570)
Taxation paid		
Receivable at the beginning of the period	2 204	2 437
Receivable at the end of the period	(2 199)	(2 453)
	5	(16)
Cash and cash equivalents		
Bank balances and deposits	58 875	99 126

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 2022 (continued)

8 BORROWINGS

	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000
Bank mortgages	79 074	74 977
Loans from non-controlling interests	3 751	3 751
	82 825	78 728
Current portion of borrowings	(7 361)	(6 445)
	75 464	72 283
Secured	79 074	74 977
Unsecured	3 751	3 751
	82 825	78 728

Loans from non-controlling interests, which includes an amount of R3.8 million (September 2021: R3.8 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 8.93% (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 73% maturing 7 July 2025 and 5 April 2027.

Movements in the carrying value of borrowings are as follows:

	Long-term borrowings R'000	Short-term borrowings R'000	Total R'000
Group			
2022			
Carrying value at the beginning of the period	77 122	6 871	83 993
Cash flows			
Debt repayments	-	(1 221)	(1 221)
Non-cash			
Reclassification	(1 658)	1 658	-
Other	-	53	53
Carrying value at the end of the period	75 464	7 361	82 825
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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 September 2022 (continued)

8 BORROWINGS (continued)

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

	Unaudited 30 September 2022 R'000	Unaudited 30 September 2021 R'000
Investment properties*	144 161	108 275

* Investment properties, with a carrying value of R144.2 million (2021: R108.3 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.

	%	%
Weighted average effective interest rates	8.93	6.94

All funding is denominated in South African Rands and bear interest at a floating rate. At 30 September 2022 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 2023 forecast 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 DIRECTORS

The assets of La Concorde consist of investment property, art and cash, as well as Frontier Transport Holdings Limited ("FTH") shares acquired during the acquisition and distribution of the group's interest in that company. Further development of properties is continuously being considered, however, the current zoning of these properties will naturally result in delays.

During the period the income generated mainly consisted of rental income, recoveries of utilities and operating expenses, restaurant and accommodation revenue, and interest and dividend income.

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

Fair value adjustments to shares resulted from the decrease in the traded price of FTH shares. During the current period a dividend of R2.2 million was received from FTH.

The group completed the erection of the Sportsmans Warehouse ("SW") and Outdoor Warehouse ("OW") buildings on the De Hoop Property. SW and OW commenced trading in August 2022.

The group has seen an improvement in its operations, with positive signs from the new ventures entered into. The longevity of the coronavirus pandemic and consequent impact on the future profitability of the Company's business, however, continues to be monitored by the Board.

Signed on behalf of the Board of directors.

Cisco Pereira
Director

Cape Town
1 December 2022



REG NO.

2009/012871/06

DIRECTORS

JA Copelyn, JR Nicolella, AF Pereira and Y Shaik

COMPANY SECRETARY

HCI Managerial Services Proprietary Limited

REGISTERED OFFICE

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AUDITORS

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TRANSFER SECRETARIES

Computershare Investor Services Proprietary
Limited