



LA CONCORDE

Registration number: 2009/012871/06

LA CONCORDE HOLDINGS LIMITED

UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for year ended 31 March 2023

CONTENTS

Condensed Consolidated Statement of Financial Position	3
Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income	4
Condensed Consolidated Statement of Changes in Equity	5
Condensed Consolidated Statement of Cash Flows	5
Notes to the Condensed Consolidated Financial Statements	6 - 12
Commentary	13
Administrative Information	13

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		Unaudited	Audited
		as at	As at
		31 March 2023	31 March 2022
	Notes	R'000	R'000
ASSETS			
Non-current assets		307 650	252 709
Property, plant and equipment	3	102 748	6 571
Right-of-use assets		132	164
Investment properties	4	147 052	192 813
Intangible assets		101	145
Investment in associate	5	17 730	15 821
Other financial assets	6	32 230	31 598
Deferred tax	7	5 848	3 809
Finance lease receivable	8	1 809	1 788
Current assets		61 131	93 498
Trade and other receivables		2 061	3 595
Inventory		1 034	575
Taxation		2 199	2 204
Cash and cash equivalents	9	55 837	87 124
Non-current assets held for sale		-	346
Total assets		368 781	346 553
EQUITY AND LIABILITIES			
Equity		253 299	236 281
Ordinary share capital		1	1
Share premium		408 986	408 986
Retained losses		(162 369)	(178 608)
Non-controlling interest		6 681	5 902
Non-current liabilities		99 089	99 212
Borrowings	10	73 719	77 122
Lease liability	8	1 892	1 928
Deferred taxation	7	28 047	20 162
Current liabilities		11 824	11 060
Trade and other payables		4 101	4 189
Current portion of borrowings	10	7 723	6 871
Total equity and liabilities		368 781	346 553

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Unaudited	Audited
	Year ended	Year ended
	31 March 2023	31 March 2022
	R'000	R'000
Revenue	25 804	9 822
Property rental income	13 558	11 652
Income	39 362	21 474
Other operating expenses and income	(33 869)	(19 367)
Depreciation and amortisation	(1 697)	(819)
Operating profit	3 796	1 288
Investment income	7 406	7 078
Fair value adjustments of financial instruments	632	12 576
Fair value adjustments on investment property	15 268	-
Investment surplus	54	29
Share of equity-accounted earnings	2 615	4 842
Finance costs	(6 907)	(4 592)
Profit before taxation	22 864	21 221
Taxation	(5 846)	(6 698)
Profit for the year	17 018	14 523
Attributable to:		
Equity holders of the parent	16 239	13 552
Non-controlling interest	779	971
	17 018	14 523
Earnings per share (cents)		
Basic earnings	25.3	21.1
Headline earnings	6.6	16.9
Shares in issue		
Number of shares issued ('000)	64 116	64 116
Shares repurchased ('000)	-	-
Net weighted average number of shares in issue	64 116	64 116

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited	Audited
	Year ended	Year ended
	31 March 2023	31 March 2022
	R'000	R'000
Balance at the beginning of the year	236 281	221 831
Total comprehensive income for the year	17 018	14 523
Dividends forfeitures	-	(73)
	253 299	236 281

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

		Unaudited	Audited
		Year ended	Year ended
		31 March 2023	31 March 2022
		R'000	R'000
	Notes		
Cash flows from operating activities			
Net cash from operating activities		1 429	(833)
Cash generated/(utilised) by operations	9	3 371	(3 581)
Changes in working capital	9	966	(1 890)
Cash generated/(utilised) by operating activities		4 337	(5 471)
Investment income		7 406	7 078
Finance costs		(6 907)	(2 600)
Taxation paid	9	5	233
Dividends paid		-	(73)
Cash flows from investing activities		(30 058)	(59 370)
Dividends received		706	1 208
Additions to investment property		(28 578)	(59 365)
Additions to property, plant and equipment		(5 990)	(4 910)
Proceeds on disposal of property, plant and equipment		-	3 416
Proceeds on disposal of investments		400	401
Intangible assets acquired		(8)	(120)
Cash flows from financing activities		(2 658)	44 661
Borrowings raised		-	46 011
Borrowings repaid		(2 658)	(1 350)
Cash and cash equivalents			
Movements		(31 287)	(15 542)
At the beginning of the year		87 124	102 666
At the end of the year		55 837	87 124

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The results for the year ended 31 March 2023 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, other than the income received from the property operations of which the financial effects are disclosed in the financial statements.

3 PROPERTY, PLANT AND EQUIPMENT

	2023	2022
	R'000	R'000
Cost		
Land and buildings	91 800	-
Other equipment and vehicles	16 231	11 547
	108 031	11 547
Accumulated depreciation and impairments		
Other equipment and vehicles	(5 283)	(4 976)
	(5 283)	(4 976)
Carrying value		
Land and buildings	91 800	-
Other equipment and vehicles	10 948	6 571
	102 748	6 571
Movements in property, plant and equipment		
Balance at the beginning of the year		
Other equipment and vehicles	6 571	2 416
	6 571	2 416
Additions		
Other equipment and vehicles	5 990	4 910
	5 990	4 910
Transfers		
Land and buildings	91 800	-
	91 800	-
Depreciation		
Other equipment and vehicles	(1 613)	(755)
	(1 613)	(755)
Balances at the end of the year		
Land and buildings	91 800	-
Other equipment and vehicles	10 948	6 571
	102 748	6 571

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4 INVESTMENT PROPERTIES

	2023 R'000	2022 R'000
Investment properties at fair value	140 899	188 853
Non-current operating lease equalisation asset	6 153	3 960
	147 052	192 813
Reconciliation of carrying value		
At the beginning of the year	192 813	131 314
Transfer from/(to) non-current assets held for sale	-	(346)
Transfer to property, plant and equipment	(91 800)	-
Fair value adjustments	15 268	-
Additions	28 578	59 820
Movements in non-current operating lease equalisation assets	2 193	2 025
At the end of the year	147 052	192 813

Investment properties are stated at fair value.

Investment properties comprise vacant land and commercial buildings. The fair value of these properties, totalling R147 million at 31 March 2023 (2022: R192.8 million), has been arrived at on the basis of external valuations carried out by Quadrant Properties Proprietary Limited.

The Laborie Heritage Wine Estate, which includes agricultural land, a villa, restaurants and accommodation buildings, was valued at R91.8 million (2022: R66.8 million) by external valuers, The Valuator Group.

During the year under review a fair value adjustment of R15.3 million on the properties, as detailed above, were recognised in the statement of profit or loss (2022: Rnil). The fair value of the vacant land, totalling R0.7 million (2022: R0.9 million), was determined by applying the direct comparable sales valuation technique. Commercial buildings with a fair value of R146.4 million (2022: R125 million) were valued using the discounted cash flow method.

Laborie Heritage Wine Estate with a fair value of R91.8 million (2022: R66.8 million) was valued using direct comparable sales techniques, the profit-based method and depreciable cost. The profit-based method was performed with the following unobservable inputs: apportionment of 50% - 100%, expense ratio of 25% - 50%, perpetual vacancy of 2% and a capitalisation rate of 9%.

In the previous year we performed a directors' valuation using the discounted cash flow valuation method with the following unobservable inputs: rental growth rate of 6%, cost growth rate of 6%, occupation rate of 40% - 50%, an exit capitalisation rate of 10.5% and a discount rate of 16%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

4 INVESTMENT PROPERTIES *(continued)*

	2023	2022
	%	%
Commercial buildings		
Rental growth rate	5.9	6.0
Cost growth rate	8.5	8.0
Occupation rate	100.0	100.0
Exit capitalisation rate	8.8	9.8
Discount rate	14.0	14.5
	2023	2022
	R'000	R'000
Amounts recognised in profit and loss for the year:		
Rental income and recoveries from investment property	13 558	21 474
Direct operating expenses from rental-generating property	(5 899)	(19 367)
	7 659	2 107
Contractual rent receivable:		
- within one year (included in trade and other receivables)	12 728	9 173
- within two to five years	54 025	42 535
- after five years	31 813	44 288
	98 566	95 996
Investment properties consist of:		
Erf 31403, Main Street House, Paarl, Western Cape, in extent of 4 999 m ²	-	4 212
Erf 11919, De Hoop Farm, Paarl, Western Cape, in extent of 3.3 ha	146 447	125 000
Erf 212, 214 and 224, Klapmuts erven, Western Cape, in extent of 5 502 m ²	605	950
Erf 13004, Paarl, Western Cape, in extent of 44.3918 ha	-	62 651
	147 052	192 813

5 INVESTMENT IN ASSOCIATE

Name of associate	Place of business	Principal activity	Group interest		2023	2022
			2023	2022		
			%	%	R'000	R'000
Paarl Vallei Bottling Company Proprietary Limited	South Africa	Bottling	30.9	30.9	17 730	15 821
					17 730	15 821
Group						
Reconciliation of investment in associate						
At the beginning of the year					15 821	12 187
Share of the profits					2 615	4 842
Dividend received					(706)	(1 208)
					17 730	15 821

The value of the Company's investment in Paarl Vallei Bottling Company Proprietary Limited was reviewed based on forecast volumes and profitability.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

6 OTHER FINANCIAL ASSETS

	2023 R'000	2022 R'000
Financial assets carried at fair value through profit or loss		
Equity securities	32 230	31 598
Non-current portion	32 230	31 598

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.

7 DEFERRED TAXATION

	2023 R'000	2022 R'000
Movements in deferred taxation		
At the beginning of the year	(16 353)	(9 654)
Accelerated tax allowances	(5 682)	(1 558)
Realisation of fair value remeasurements	(1 199)	576
Provisions and accruals	62	44
Assessed losses	2 019	1 775
Fair value remeasurements of listed and unlisted shares	(455)	(7 008)
Lease smoothing	(591)	(528)
At the end of the year	(22 199)	(16 353)
Analysis of deferred taxation		
Accelerated tax allowances	(10 495)	(4 813)
Fair value remeasurements	(12 884)	(11 685)
Provisions and accruals	254	192
Assessed losses	4 444	2 425
Fair value remeasurements of listed and unlisted shares	(1 857)	(1 402)
Lease smoothing	(1 661)	(1 070)
	(22 199)	(16 353)
Composition of deferred taxation		
Deferred taxation assets	5 848	3 809
Deferred taxation liabilities	(28 047)	(20 162)
	(22 199)	(16 353)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

8 LEASES

Nature of leasing activities (in the capacity as lessee)

The group leases land from the Stellenbosch Municipality. The lease rentals are payable annually and escalates at the consumer price index ("CPI") rate. The lease has a remaining term of nine years at the end of the current financial year.

	Other equipment R'000	Land and buildings R'000	Total R'000
Reconciliation of carrying value: finance lease receivable			
2023			
Carrying value as at 1 April 2022	-	1 788	1 788
Interest income	-	181	181
Lease receipts	-	(160)	(160)
Carrying value as at 31 March 2023	-	1 809	1 809
2022			
Carrying value as at 1 April 2021	-	1 735	1 735
Interest income	-	178	178
Lease receipts	-	(125)	(125)
Carrying value as at 31 March 2022	-	1 788	1 788
Reconciliation of carrying value: lease liabilities			
2023			
Carrying value as at 1 April 2022	165	1 763	1 928
Finance costs	9	181	190
Lease payments	(70)	(156)	(226)
Carrying value as at 31 March 2023	104	1 788	1 892
2022			
Carrying value as at 1 April 2021	-	1 735	1 735
Finance costs	-	178	178
Lease payments	(25)	(150)	(175)
Additions	190	-	190
Carrying value as at 31 March 2022	165	1 763	1 928

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

	Less than one year R'000	Between one and five years R'000	Over five years R'000	Total R'000
2023				
Lease liabilities	163	725	3 788	4 676
2022				
Lease liabilities	156	696	3 981	4 833

Residual value guarantees

None of the group's lease contracts contain residual value guarantees.

Committed leases not yet commenced

The group has not committed to any lease contracts which had not commenced by the reporting date.

Encumbrances

Lease agreements do not impose any covenants. Leased assets may not be used as security for borrowing purposes.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

9 NOTES TO THE CASH FLOW STATEMENT

	2023	2022
	R'000	R'000
Cash generated by operations		
Profit for the year	17 018	14 523
Taxation	5 846	6 698
Depreciation and amortisation	1 697	819
Profit on disposal of plant and equipment	-	(3 416)
Share of equity-accounted earnings	(2 615)	(4 842)
Fair value adjustments of financial instruments	(632)	(12 576)
Fair value adjustments on investment properties	(15 268)	-
Investment income	(7 406)	(7 078)
Finance costs	6 907	4 592
Expected credit loss allowance, net of reversals	-	54
Investment surplus	(54)	(29)
Operating equipment usage	-	(190)
Lease smoothing	(2 193)	(2 025)
Other non-cash items	71	(111)
	3 371	(3 581)
Changes in working capital		
Inventory	(459)	(288)
Trade and other receivables	1 513	(1 008)
Trade and other payables	(88)	(594)
	966	(1 890)
Taxation paid		
Unpaid at the beginning of the year	2 204	2 437
Unpaid at the end of the year	(2 199)	(2 204)
	5	233
Group		
Cash and cash equivalents		
Bank balances and deposits	55 837	87 124

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.

10 BORROWINGS

	2023	2022
	R'000	R'000
Bank mortgages	77 691	80 242
Loans from non-controlling interests	3 751	3 751
	81 442	83 993
Current portion of borrowings	(7 723)	(6 871)
	73 719	77 122
Secured	77 691	80 242
Unsecured	3 751	3 751
	81 442	83 993

Loans from non-controlling interests, which includes an amount of R3.8 million (2022: 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 9.52% (the fixed borrowings bear interest at 8.7% and the variable borrowings bear interest at prime less 1% and three-month JIBAR plus 2.6%). The facility is repayable in 60 instalments with a residual of approximately 73% maturing approximately 7 July 2025 and 5 April 2027.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

10 BORROWINGS *(continued)*

Movements in the carrying value of borrowings are as follows:

	Long-term borrowings R'000	Short-term borrowings R'000	Total R'000
Group			
2023			
Carrying value at the beginning of the year	77 122	6 871	83 993
Cash flows			
Debt repayments	-	(2 658)	(2 658)
Interest paid	-	(6 611)	(6 611)
Non-cash			
Reclassification	(3 403)	3 403	-
Interest capitalised	-	6 611	6 611
Amortisation of raising fees	-	107	107
Carrying value at the end of the year	73 719	7 723	81 442
2022			
Carrying value at the beginning of the year	31 820	5 212	37 032
Cash flows			
Raising of new debt	45 302	709	46 011
Interest paid	-	(2 600)	(2 600)
Debt repayments	-	(1 350)	(1 350)
Non-cash			
Interest capitalised	-	4 744	4 744
Amortisation of raising fees	-	156	156
Carrying value at the end of the year	77 122	6 871	83 993

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

	2023 R'000	2022 R'000
Investment properties*	146 447	125 000
Maturity of these borrowings are as follows:		
Due within one year	6 871	6 871
Due within one to two years *new*	3 866	3 866
Due within two to five years *new*	73 256	73 256
Due after five years	(2 551)	-
	81 442	83 993
	%	%
Weighted average effective interest rates	9.52	7.43

* Investment properties, with a carrying value of R146 million (2022: R125 million), relate to La Concorde Builders Precinct properties over which mortgage bonds have been registered in favour of the debt providers to La Concorde Group included in borrowings.

All funding is denominated in South African Rands. At 31 March 2023 the carrying value of borrowings approximates their fair value as market-related interest rates apply.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS *(continued)*

11 EVENTS AFTER REPORTING DATE

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.

12 GOING CONCERN

The directors reviewed the 2024 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 annual financial statements have been prepared on a going concern basis.

13 DIVIDENDS

The Board has resolved not to declare a final dividend.

COMMENTARY

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

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 increase in the traded price of FTH shares. During the current period, a dividend of R3.4 million was received from FTH.

The group completed the erection of the Sportman's Warehouse and Outdoor Warehouse ("SW and OW") building on the De Hoop Farm. SW and OW commenced trading in August 2022. The Laborie Heritage Wine Estate is also being redeveloped into a hospitality and recreational destination.

Signed on behalf of the Board of directors

Cisco Pereira
Director

Cape Town
30 May 2023

ADMINISTRATIVE INFORMATION

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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TRANSFER SECRETARIES

Computershare Investor Services Proprietary Limited



LA CONCORDE
