



GRAND PARADE

INVESTMENTS LIMITED

GRAND PARADE INVESTMENTS LIMITED
CONDENSED UNAUDITED
INTERIM RESULTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

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SALIENT FEATURES

Revenue
from continuing
operations remained
constant at
R845.1
million

Gross Profit
from continuing
operations down **8%**
from **R405.1 million** to
R371.1
million

EBITDA
from continuing
operations down **32%**
from **R114.3 million** to
R77.8
million

Group Central Costs
excluding legal and transaction fees
remained constant at
R17.3
million

EPS
down by
1.69
cents

NPAT
down **R8.3 million**, from a
profit of **R6.4 million** to a loss of
R1.9
million

HEPS
down by
11.34
cents

INTRODUCTION

The start of the 2021 financial year began with the easing of the government-imposed restrictions which were put in place to control the spread of COVID-19. This marked a welcome change for GPI's food and manufacturing businesses that started trading again after the shutdown. The gaming assets on the other hand were forced to remain closed and only resumed trading in August under extremely strict operational protocols. The positive sentiment during the start of the financial year came to an abrupt end as the second COVID-19 wave spread through the country, prompting government to reintroduce the ban of alcohol sales and impose an earlier 9pm curfew. The reintroduction of these restrictions dampened the recovery of the gaming assets.

Despite the tough trading conditions Burger King showed incredible resilience and exceeded expectations, recovering to normal revenues within the first few months of normal trade. For the period under review revenue was up 1.7% on a comparative basis which is an impressive performance in these challenging trading conditions.

Mac Brothers, on the other hand, struggled during the period under review as many businesses in the hospitality and food and beverage sectors delayed or cancelled capital expenditure. Management used this period to aggressively restructure the business and reduce operational expenditure. In addition, the business focused on driving revenue in the hospital industry.

The gaming assets were the worst affected of GPI's assets and the biggest contributor to the decline in the group's earnings. Grand West Casino resumed trading in August and experienced a slow recovery which was subsequently affected by the reintroduction of level 3 restrictions. Sun Slots, on the other hand, experienced a much faster recovery and was back up to 95% of the prior period's revenues in September. For the period under review Sun Slots was only down 15%. The overall headline earnings contribution from GPI's gaming assets was down 53% from the prior period.

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GROUP FINANCIAL REVIEW

The Group uses headline earnings to assess the underlying investment contributions to the Group's earnings. Headline earnings eliminate the once-off effects of the Group's investment activities and therefore provide a comparable view of the Group's continuing earnings.

The table below shows the contribution of each investment to the Group's headline earnings:

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Movement R'000	Movement %
Food	(12,893)	8,287	(21,180)	(230%)
Burger King	(4,128)	7,785	(11,913)	(153%)
Spur	(39)	7,194	(7,233)	(101%)
Mac Brothers	(5,503)	(9,317)	3,814	41%
Grand Food Meat Plant	(3,223)	2,625	(5,848)	(223%)
Gaming & Leisure	33,568	71,296	(37,728)	(53%)
SunWest	9,305	41,328	(32,023)	(78%)
Sun Slots	23,098	28,331	(5,233)	(18%)
Worcester Casino	1,196	1,637	(441)	(27%)
Infinity Gaming Africa	(31)	-	(31)	-
Group Central Costs	(24,888)	(29,763)	4,875	(16%)
Corporate costs net of finance charges	(17,335)	(17,303)	(32)	-
Transaction costs and legal fees	(3,162)	(3,419)	257	8%
Net finance costs	(5,712)	(8,298)	2,586	31%
GPI Properties	1,321	(743)	2,064	278%
Discontinued and Other Operations	-	(5,716)	5,716	100%
Dunkin Donuts	-	(4,089)	4,089	100%
Baskin-Robbins	-	(1,627)	1,627	100%
Headline Earnings for the Period	(4,213)	44,105	(48,317)	(110%)

DIVIDENDS

No dividends have been declared for the interim period.

CAPITAL STRUCTURE

The Group has reduced gearing further through the repayment of R16.0 million capital and R1.0 million accrued interest of its SunWest and Sun Slots secured preference shares.

Over the past six months, the Group decreased its gearing levels from 11.8% to 11.2% due to a decrease in its equity as a result of the losses incurred in 2020.

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Holding Company Facilities			
Security			
	186,743	203,777	203,095
SunWest and Sun Slots	186,743	203,777	203,095
Subsidiaries' Facilities			
Subsidiary			
	55,168	60,054	54,972
GPI Properties	54,095	56,059	53,491
Mac Brothers	860	3,500	1,125
Burger King	213	495	356
Total Facilities	241,911	263,831	258,067
Debt/Equity Ratio	11.2%	11.8%	15.3%
Debt/EBITDA Times Cover	3.11	1.46	5.19

REVIEW OF INVESTMENT OPERATIONS

FOOD

Burger King

Burger King's total revenue increased by 7%, from R630.8 million in the six-month period ended 31 December 2019 ("prior period") to R676.4 million in the six-month period ended 31 December 2020 ("current period").

Average monthly restaurant revenues increased by 1.3%, from R1.171 million in the prior period to R1.186 million in the current period, largely as a result of Drive-Thrus subsidising Food Courts and In-Lines.

Burger King generated positive restaurant comparative sales of 1.7% (2019: 8.6%).

The total number of Burger King restaurants as at 31 December 2020 was 102, (2019: 97) of which 95 (2019: 90) are corporate owned. During the current period Burger King increased its net restaurant growth by five restaurants. This included the opening of seven new restaurants and the closure of two non-profitable restaurants.

Despite the strong revenue growth, profitability in the business was under pressure during the period. Burger King realised a Company EBITDA of R33.14 million which is 35% down from R50.91 million in the prior period. Of significant importance is the decline in the Company EBITDA margin (2020: 4.9%; 2019: 8.07%). The decline is attributed to a decrease in gross margins due to a sales mix shift towards Delivery as a Service (DaaS) which increased by 10.7%, from 5.6% of total sales in the prior period to 16.3% of total sales in the current period. In addition, food cost inflation driven predominantly by an increase in the beef price played a significant role in decreasing gross margins in the business.

Despite the decrease in profitability, the business has shown resilience in these extremely uncertain conditions.

Grand Foods Meat Plant

Grand Foods Meat Plant increased its revenue by 6% compared to the prior period, from R95.4 million to R100.9 million, mainly off the back of the growth in Burger King. Gross margin in the business was under pressure due to rising beef prices driven by the increase in feed costs and a shortage of beef in the country. Gross profit decreased from R12.0 million in the prior period to R3.0 million in the current period which resulted in a net loss of R3.6 million in the current period compared to a profit of R2.2 million in the prior period.

The plant is currently at a 45% capacity utilisation and has sufficient capacity to accommodate the growth of Burger King with no major additional capital expenditure anticipated within the next 5 years. The plant continues to explore options for third party sales outside of Burger King.

Mac Brothers Catering Equipment

Mac Brothers' revenue of R68.6 million for the current period is 28% lower than the R95.4 million reported for the prior period. All revenue channels, excluding Original Equipment Manufacturer (OEM) sales of R2.2 million, were down compared to the prior period. The business' major source of revenue, catering equipment sales, was particularly under pressure as many businesses put expansion plans and capital-intensive projects on hold. Already tough local trading conditions were further exacerbated by COVID-19 and the related restrictions placed on the core market during this period.

The business continued its efforts to reduce operational expenditure through aggressive restructure of the business. Operational costs are down R10.0 million, from R27.5 million in the prior period to R17.5 million in the current period.

Gross profit of 28% was marginally higher than the prior period's 27%.

Despite the pressure on the top line, the improvement in gross margin coupled with the decrease in operational expenditure led to an increase in EBITDA for the period from a loss of R1.8 million in the prior period to a profit of R2.0 million in the current period.

The business reported a net loss before tax of R4.5 million for the current period which is a 47% improvement on the prior period's net loss before tax of R8.5 million.

GAMING

SunWest

SunWest struggled under strict lockdown restrictions. The 50% restriction on capacity, ban on alcohol sales and early curfew affected revenue generation over the period. Revenue for the period decreased by 53% from R1.283 billion to R606.8 million. EBITDA decreased by 61% from R470.7 million in the prior period to R181.4 million for the current period under review. Net Profit After Tax decreased by 78% to R61.3 million for the current period (2019: R276.5 million).

No dividends were declared (2019: R205.0 million).

Worcester Casino

Worcester Casino's revenue decreased by 35% from R88.9 million in the prior period to R57.5 million for the current period under review. EBITDA decreased by 19% from R19.1 million to R15.6 million in the current period.

Net profit after tax decreased by 34% to R7.2 million (2019: R10.8 million) for the period under review.

No dividends were declared (2019: R6.0 million).

Sun Slots

Sun Slots showed remarkable resilience despite the restrictive trading conditions. Revenue only decreased by 15% from R686.9 million in the prior period to R583.1 million in the current period, while EBITDA decreased by 18% from R178.2 million in the prior period to R146.8 million for the current period under review.

Sun Slots Net Profit After Tax decreased by 23% from R95.7 million in the prior period to R73.9 million in the period under review.

Dividends of R80 million were declared (2019: R30 million).

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OTHER

Central Costs

The Group's net central costs excluding legal and transaction costs for the current period amounted to R17.3 million, which is consistent with the prior period.

Share Capital

No new shares were issued or bought back during the current period.

Treasury Shares

At 31 December 2020, a total of 40.5 million (2019: 43.8 million) GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's BBBEE Empowerment Trust. These entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 1.72 million (2019: 4.98 million) treasury shares, GPI Management Services holding 24 million (2019: 24 million) shares and the GPI Women's BBBEE Empowerment Trust holding 14.82 million (2019: 14.82 million) treasury shares.

Preference Shares

During the current period, the Group redeemed R16.0 million (2019: R281.6 million) worth of preference shares.

Directors and Company Secretary

There has been no change to the Directorate or Company Secretary during the current period.

Particulars of the present Directors and Company Secretary are provided on [page 31](#).

Going Concern

These Condensed Interim Results have been prepared on a going concern basis.

The Board has performed a review of the Group's ability to continue trading as a going concern in the foreseeable future, and based on this review, consider that the presentation of the interim results on this basis is appropriate.

No pending or threatened legal or arbitration proceedings have been filed which have had or may have a material effect on the financial position of the Group.

Related Parties

The Group, in the ordinary course of business, entered into various transactions with related parties consistent with those as reported at 30 June 2020.

SUBSEQUENT EVENTS

Sale of Burger King

In July 2020 GPI accepted a revised offer from Emerging Capital Partners (ECP) for R570 million and R23 million for Burger King South Africa (BKSA) and Grand Foods Meat Plant (GFMP) enterprise value (EV). The offer was subject to the conclusion of a share purchase agreement (SPA). In July management started the process of negotiating the SPA which was subsequently agreed and signed on the 19 February 2021.

The SPA is subject to several conditions precedent including but not limited to, GPI shareholder approval, competition commission approval, etc, as a result, the disposal has not met the requirements of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations at this stage and has not been classified as such. It is expected that the transaction will close in June 2021 at which time it will be classified as such.

The Way Forward

GPI's objective is to maximise returns for its shareholders via its strategy to unlock value through a controlled sale of assets. The strategy aims at unlocking the discount at which the group trades to its intrinsic net asset value (iNAV). We estimate the discount at over 40% based on the current share price which we believe can be unlocked through the selected and controlled sale of assets.

The sale of BKSA and GFMP is the first step in this value unlock strategy and is scheduled for completion in June 2021. The next phase is to further unlock value and reduce the discount to iNAV by maximising the value of the underlying assets.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Note	Unaudited 6 months ended 31 December 2020 R'000	Unaudited 6 months ended 31 December 2019 R'000	Audited 12 months ended 30 June 2020 R'000
Continuing Operations			
Revenue	845,089	844,371	1,312,326
Cost of sales	(473,954)	(439,244)	(709,005)
Gross Profit	371,135	405,127	603,321
Operating costs	(329,391)	(323,728)	(561,601)
Profit from Operations	41,744	81,399	41,720
Profit from equity-accounted investments	33,599	71,685	69,395
Expected credit loss from receivables	(1,216)	(215)	(2,906)
Impairment of assets *	(3,388)	-	(10,799)
Profit on sale of property	7,091	-	-
Loss on sale of investments	-	-	(9,050)
Profit from Operations Before Impairment, Depreciation and Amortisation	77,830	152,869	88,360
Impairment of goodwill	-	(38,598)	(38,598)
Depreciation	(52,046)	(49,900)	(95,016)
Amortisation	(2,235)	(2,878)	(6,814)
Profit/(Loss) Before Finance Costs and Taxation	23,549	61,493	(52,068)
Finance income	698	3,312	5,343
Finance costs	(30,328)	(44,025)	(76,988)
(Loss)/Profit Before Taxation	(6,081)	20,780	(123,713)
Taxation	4,179	(8,641)	11,903
(Loss)/Profit for the Period from Continuing Operations	(1,902)	12,139	(111,810)
Discontinued Operations			
Loss for the period from discontinued operations	-	(5,715)	(14,697)
(Loss)/Profit for the Period	(1,902)	6,424	(126,507)
Other Comprehensive (Loss)/Income			
Items that Will Not be Reclassified Subsequently to Profit or Loss			
Unrealised fair value adjustments on investments held at fair value through OCI, net of tax	(4,815)	72,036	(40,211)
Realised fair value adjustment on investments held at fair value through OCI	-	-	26,525
Total Comprehensive (Loss)/Income for the Period	(6,717)	78,460	(140,193)

Note	Unaudited 6 months ended 31 December 2020 R'000	Unaudited 6 months ended 31 December 2019 R'000	Audited 12 months ended 30 June 2020 R'000
(Loss)/Profit for the Period from Continuing Operations Attributable to:			
- Ordinary shareholders	(1,298)	11,657	(108,830)
- Non-controlling interest	(604)	482	(2,980)
Loss for the Period from Discontinued Operations Attributable to:			
- Ordinary shareholders	-	(5,715)	(14,697)
- Non-controlling interest	-	-	-
	(1,902)	6,424	(126,507)
Total Comprehensive (Loss)/Income from Continuing Operations Attributable to:			
- Ordinary shareholders	(6,113)	83,693	(122,516)
- Non-controlling interest	(604)	482	(2,980)
Total Comprehensive Loss from Discontinued Operations Attributable to:			
- Ordinary shareholders	-	(5,715)	(14,697)
- Non-controlling interest	-	-	-
	(6,717)	78,460	(140,193)
	Cents	Cents	Cents
Basic (Loss)/Earnings per Share	3.5	1.39	(28.93)
- Continuing operations	3.5	2.73	(25.49)
- Discontinued operations	3.5	(1.34)	(3.44)
Diluted Basic (Loss)/Earnings per Share	3.5	1.38	(28.92)
- Continuing operations	3.5	2.72	(25.48)
- Discontinued operations	3.5	(1.34)	(3.44)

* Impairment in the current period relates to the property, plant and equipment of the two BK stores that were closed during the period.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Unaudited 6 months ended 31 December 2020 R'000	Unaudited 6 months ended 31 December 2019 R'000	Audited 12 months ended 30 June 2020 R'000
ASSETS				
Non-Current Assets				
		2,311,778	2,410,955	2,278,699
Investments in jointly controlled entities		622,175	644,573	612,911
Investments in associates		375,943	402,542	375,608
Investments held at fair value through OCI	2	138,712	230,073	143,527
Goodwill	Z	55,104	55,104	55,104
Right-of-use asset		313,837	294,300	318,192
Investment properties		7,599	7,599	7,599
Property, plant and equipment		593,887	590,578	566,263
Intangible assets		18,339	26,680	21,952
Deferred tax assets		186,182	159,506	177,543
Assets classified as held-for-sale	6	25,050	32,345	43,959
Current Assets				
		295,146	271,251	329,010
Inventory		59,907	76,632	64,313
Related party loans		22,466	21,467	22,975
Trade and other receivables		67,362	91,102	122,576
Cash and cash equivalents		142,792	79,020	117,229
Income tax receivable		2,619	3,030	1,917
Total Assets		2,631,974	2,714,551	2,651,668

	Note	Unaudited 6 months ended 31 December 2020 R'000	Unaudited 6 months ended 31 December 2019 R'000	Audited 12 months ended 30 June 2020 R'000
EQUITY AND LIABILITIES				
Capital and Reserves				
Total Equity				
		1,713,441	1,926,720	1,719,347
Ordinary share capital		798,586	798,586	798,586
Treasury shares		(153,962)	(166,286)	(153,962)
Accumulated profit		1,204,631	1,339,542	1,205,929
Investments held at fair value reserve		(136,935)	(47,891)	(132,120)
Share based payment reserve		1,121	2,769	914
Non-controlling interest		(33,584)	(29,518)	(32,980)
Total Shareholders' Equity		1,679,857	1,897,202	1,686,367
Non-Current Liabilities				
		637,019	620,111	575,165
Preference shares		183,954	199,439	183,696
Interest-bearing borrowings		50,345	52,309	16,703
Lease liability		389,336	354,657	364,682
Deferred tax liabilities		3,964	4,625	1,707
Provisions		9,420	9,081	8,377
Current Liabilities				
		315,098	197,238	390,136
Preference shares		2,789	4,338	19,399
Interest-bearing borrowings		3,750	3,750	36,788
Lease liability		40,260	32,683	40,103
Trade and other payables		155,594	97,609	178,824
Provisions		14,121	11,827	7,719
Dividends payable		10,129	10,405	10,129
Income tax payable		186	18	888
Bank overdraft		88,269	36,608	96,286
Total Equity and Liabilities		2,631,974	2,714,551	2,651,668

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Ordinary share capital R'000	Treasury shares R'000	Accumulated profits R'000	Financial asset fair value reserve R'000	Share based payment reserve R'000	Non- controlling interest R'000	Total equity R'000
Balance at 30 June 2019	798,586	(166,286)	1,401,781	(154,229)	2,085	(30,000)	1,851,937
Adoption of IFRS 16 leases	-	-	(33,879)	-	-	-	(33,879)
Total comprehensive loss for the period	-	-	5,942	72,036	-	482	78,460
- Profit/(loss) for the period from continuing operations	-	-	11,657	-	-	482	12,139
- Loss for the period from discontinued operations	-	-	(5,715)	-	-	-	(5,715)
- Other comprehensive loss	-	-	-	72,036	-	-	72,036
Transfer of OCI on sale of asset at fair value	-	-	(34,302)	34,302	-	-	-
Share based payment expense	-	-	-	-	684	-	684
Balance at 31 December 2019	798,586	(166,286)	1,339,542	(47,891)	2,769	(29,518)	1,897,202
Total comprehensive income/(loss) for the period	-	-	(129,469)	(85,722)	-	(3,462)	(218,653)
- Profit for the period from continuing operations	-	-	(120,487)	-	-	(3,462)	(123,949)
- Loss for the period from discontinued operations	-	-	(8,982)	-	-	-	(8,982)
- Other comprehensive loss	-	-	-	(85,722)	-	-	(85,722)
Treasury shares allocated to employees	-	12,324	(4,464)	-	(1,791)	-	6,069
Share based payment expense	-	-	-	-	1,749	-	1,749
Share options lapsed	-	-	1,813	-	(1,813)	-	-
Disposal of Atlas Gaming Holdings	-	-	(1,493)	1,493	-	-	-
Balance at 30 June 2020	798,586	(153,962)	1,205,929	(132,120)	914	(32,980)	1,686,367
Total comprehensive income/(loss) for the period	-	-	(1,298)	(4,815)	-	(604)	(6,717)
- Profit for the period from continuing operations	-	-	(1,298)	-	-	(604)	(1,902)
- Loss for the period from discontinued operations	-	-	-	-	-	-	-
- Other comprehensive income	-	-	-	(4,815)	-	-	(4,815)
Share based payment expense	-	-	-	-	207	-	207
Balance at 31 December 2020	798,586	(153,962)	1,204,631	(136,935)	1,121	(33,584)	1,679,857

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CONSOLIDATED STATEMENT OF CASH FLOWS

	Unaudited 6 months ended 31 December 2020 R'000	Unaudited 6 months ended 31 December 2019 R'000	Audited 12 months ended 30 June 2020 R'000
Cash Flows from Operating Activities			
Net cash generated from operations	82,835	5,549	40,933
Income tax (paid)/refunded	(3,608)	2,603	5,511
Finance income	698	3,312	5,375
Net Cash Inflow from Operating Activities	79,925	11,464	51,819
Cash Flows from Investing Activities			
Acquisition of plant and equipment	(34,951)	(37,837)	(85,671)
Acquisition of intangibles	-	(634)	(6,380)
Proceeds from disposal of property, plant and equipment	-	6,703	3,670
Proceeds from disposal of non-current assets held for sale	-	-	3,847
Proceeds from disposal of investment	-	260,354	260,354
Proceeds from disposal of land and buildings	26,000	-	-
Disposal of subsidiary	-	-	(1,231)
Dividends received	24,000	54,947	112,922
Net Cash Inflow from Investing Activities	15,049	283,533	287,511
Cash Flows From Financing Activities			
Dividends paid	-	-	(276)
Proceeds from employees on settlement of share awards	-	-	6,069
Redemption of preference shares	(16,002)	(228,338)	(228,338)
Repayment of lease liabilities	(15,271)	(12,611)	(29,207)
Repayment of loans	(1,875)	(3,716)	(7,500)
Finance costs	(28,246)	(80,378)	(131,593)
Net Cash Outflow from Financing Activities	(61,394)	(325,043)	(390,845)
Net Increase/Decrease in Cash and Cash Equivalents	33,580	(30,046)	(51,515)
Cash and cash equivalents at the beginning of the period	20,943	72,458	72,458
Total Cash and Cash Equivalents at the End of the Period	54,523	42,412	20,943
Cash and cash equivalents	142,792	79,020	117,229
Overdraft	(88,269)	(36,608)	(96,286)
Total Cash and Cash Equivalents at Period End	54,523	42,412	20,943

NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS

1. Statement of Compliance

The interim Condensed Consolidated Financial Statements for the six months ended 31 December 2020 have been prepared in accordance with IAS 34 Interim Financial Reporting, 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 Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required in the Annual Financial Statements. The statements should be read in conjunction with the Group's Annual Consolidated Financial Statements, as at 30 June 2020.

The Condensed Consolidated Financial Statements have not been reviewed or reported on by the Group's auditors.

2. Basis of Preparation

The Condensed Consolidated Financial Statements are prepared on a going concern basis. The accounting policies applied in the preparation of the Condensed Consolidated Financial Statements are in terms of IFRS and are consistent with those accounting policies applied in the preparation of the previous Consolidated Annual Financial Statements for the year ended 30 June 2020. The Interim Financial Statements have been prepared under the supervision of the Chief Financial Officer, J October.

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NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS
(CONTINUED)

3. Basic and Diluted Earnings per Share

Basic earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares (WANOS) in issue during the period.

Diluted earnings per share amounts are calculated by dividing the net profit for the period attributable to ordinary equity holders of the Company by the diluted WANOS in issue.

Headline earnings per share amounts are calculated by dividing the headline earnings for the period attributable to ordinary equity holders of the Company by the WANOS in issue for the period.

Diluted headline earnings per share amounts are calculated by dividing the headline earnings for the period attributable to ordinary equity holders of the Company by the diluted WANOS in issue for the period.

	Unaudited 31 December 2020 R'000 Gross	Unaudited 31 December 2020 R'000 Net	Unaudited 31 December 2019 R'000 Gross	Unaudited 31 December 2019 R'000 Net	Audited 30 June 2020 R'000 Gross	Audited 30 June 2020 R'000 Net
3.1 Reconciliation of the Profit/(Loss) for the Period						
Basic and diluted earnings per share reconciliation						
- Continuing operations		(1,902)		12,139		(111,810)
- Discontinued operations		-		(5,715)		(14,697)
Non-controlling interest		604		(482)		2,980
(Loss)/Profit for the Period Attributable to Ordinary Shareholders		(1,298)		5,942		(123,527)
3.2 Reconciliation of Headline Earnings for the Period						
Profit for the period attributable to ordinary shareholders		(1,298)		5,942		(123,527)
Continuing Operations						
Loss on sale of investments	-	-	-	-	9,050	9,050
Impairment of goodwill	-	-	38,598	38,598	38,598	38,598
Impairment of right-of-use assets	-	-	-	-	7,213	5,870
Impairment of intangible assets	-	-	(63)	(45)	105	76
Impairment of property, plant, equipment	3,388	2,221	-	-	3,481	2,283
Profit on disposal of property, plant, equipment and intangibles	(7,091)	(5,106)	-	-	(1,722)	(1,305)
Adjustments by jointly-controlled entities	(42)	(30)	(542)	(390)	(611)	(440)
- Loss on disposal of plant and equipment	(42)	(30)	(542)	(390)	(611)	(440)
Discontinued Operations						
Impairment of assets held for sale		-	-	-	7,734	7,734
Headline Earnings for the Period		(4,213)		44,105		(61,661)
- Continuing operations		(4,213)		49,820		(54,698)
- Discontinued operations		-		(5,715)		(6,963)
Headline Earnings for the Period		(4,213)		44,105		(61,661)

GRAND PARADE INVESTMENTS LIMITED
CONDENSED UNAUDITED INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS
 (CONTINUED)

	Unaudited 31 December 2020 000s Gross	Unaudited 31 December 2020 000s Net	Unaudited 31 December 2019 000s Gross	Unaudited 31 December 2019 000s Net	Audited 30 June 2020 000s Gross	Audited 30 June 2020 000s Net
3.3 Reconciliation of WANOS - Net of Treasury Shares						
Shares in issue at beginning of the period		426,223		426,223		426,223
Treasury shares issued to employees		-		-		697
WANOS in Issue - Net of Treasury Shares		426,223		426,223		426,920
3.4 Reconciliation of Diluted WANOS - Net of Treasury Shares						
WANOS in issue - net of treasury shares		426,223		426,223		426,920
Effects of dilution from:						
Share options		21		1,559		154
Diluted WANOS in Issue - Net of Treasury Shares		426,244		427,782		427,074
		Cents		Cents		Cents
3.5 Statistics						
Basic (Loss)/Earnings per Share		(0.30)		1.39		(28.93)
- Continuing operations		(0.30)		2.73		(25.49)
- Discontinued operations		-		(1.34)		(3.44)
Diluted (Loss)/Earnings per Share		(0.30)		1.38		(28.92)
- Continuing operations		(0.30)		2.72		(25.48)
- Discontinued operations		-		(1.34)		(3.44)
Headline (Loss)/Earnings per Share		(0.99)		10.35		(14.44)
- Continuing operations		(0.99)		11.69		(12.81)
- Discontinued operations		-		(1.34)		(1.63)
Diluted Headline (Loss)/Earnings per Share		(0.99)		10.31		(14.44)
- Continuing operations		(0.99)		11.65		(12.81)
- Discontinued operations		-		(1.34)		(1.63)

GRAND PARADE INVESTMENTS LIMITED
CONDENSED UNAUDITED INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS
 (CONTINUED)

4. Revenue

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Revenue from Transactions with Customers			
Food sales	676,436	630,825	1,010,457
Meat sales	100,872	95,562	141,945
Equipment sales	57,459	89,564	124,040
	834,767	815,951	1,276,442
Other Revenue			
Dividends received	-	14,086	14,086
Other income *	9,665	14,247	21,613
Rental income	657	87	185
	10,322	28,420	35,884
Revenue from contracts with customers	834,767	815,951	1,276,442
Other revenue	10,322	28,420	35,884
Total Revenue	845,089	844,371	1,312,326

* Other income includes SETA Income and Youth wage subsidy.

5. Discontinued Operations

Grand Coffee House (operating Dunkin Donuts) and Grand Ice Cream (operating Baskin-Robbins) was placed in liquidation on 28 February 2019.

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
5.1 Results of Discontinued Operations			
Revenue	-	-	-
Cost of sales	-	-	-
Gross Profit	-	-	-
Operating costs	-	(5,715)	(6,995)
Loss from Operations	-	(5,715)	(6,995)
Impairment of property, plant, equipment, intangible assets and inventory	-	-	(7,734)
Depreciation	-	-	-
Amortisation	-	-	-
Loss Before Finance Costs and Taxation	-	(5,715)	(14,729)
Finance income	-	-	32
Finance costs	-	-	-
Loss Before Taxation	-	(5,715)	(14,697)
Taxation	-	-	-
Loss for the Period	-	(5,715)	(14,697)
5.2 Cash Flows from/(used in) Discontinued Operations			
Net cash used in operating activity	-	(2,649)	(3,787)
Net cash generated from investing activity	-	3,403	3,847
Net cash generated/(used in) financing activity	-	-	-
Net Cash Flow for the Period	-	754	60

GRAND PARADE INVESTMENTS LIMITED
CONDENSED UNAUDITED INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS
(CONTINUED)

6. Non-Current Assets Held for Sale

The assets and liabilities included in assets classified as held-for-sale are as follows:

	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Assets			
Non-Current Assets			
Land and buildings	19,100	26,395	38,009
Property, plant and equipment	5,950	5,950	5,950
	25,050	32,345	43,959
6.1 Reconciliation of Land and Buildings			
Opening balance - 1 July ⁽¹⁾	38,009	26,395	26,395
Transfers from property, plant and equipment ⁽²⁾	-	-	18,909
Sale of land and buildings ⁽²⁾	(18,909)	-	-
Impairment ⁽³⁾	-	-	(7,295)
Closing balance - 31 December	19,100	26,395	38,009
6.2 Reconciliation of Property, Plant and Equipment			
Opening balance - 1 July	5,950	9,798	9,798
Disposals ⁽⁴⁾	-	(3,409)	(3,409)
Impairment ⁽⁵⁾	-	(439)	(439)
Closing balance - 31 December	5,950	5,950	5,950
6.3 Impairment of Non-Current Assets-Held-for-Sale			
Land and buildings	-	-	(7,295)
Property, plant and equipment	-	(439)	(439)
	-	(439)	(7,734)

⁽¹⁾ The opening balance at 1 July 2020 consisted of the building that was previously used by Grand Bakery to produce the doughnuts for Dunkin Donuts and the N1 City building which has been sold during the 6 months under review. The sale of the Bakery building has to date not yet been concluded, despite various interested parties and negotiations. This is due to additional strains imposed on the economy by COVID-19. Management remains committed to selling the building in line with the Group's strategy to realise its assets in order to transfer the value to shareholders. Management expects the sale to be concluded within 12 months of 31 December 2020. The building is carried at fair value, as determined by an independent valuer.

⁽²⁾ The Group signed a sales agreement in June 2020 for the sale of the Group's N1 City building. This asset forms part of the group cost segment, GPI Properties. The transfers at the Deed's office was completed and the sales transaction concluded during the period under review. The building was valued at fair value, which is the selling price less costs to sell.

⁽³⁾ The impairment relates to the Bakery building which was impaired to align the carrying value to the fair value, determined by the valuation of the property on 30 June 2020.

⁽⁴⁾ Dunkin Donuts and Baskin-Robbins' property, plant and equipment were auctioned off on 22 August 2019 and sold for R2.5 million and R1.3 million respectively.

⁽⁵⁾ The impairment relates to the property, plant and equipment of Dunkin Donuts and Baskin-Robbins before they were auctioned on 22 August 2019.

GRAND PARADE INVESTMENTS LIMITED
CONDENSED UNAUDITED INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS
 (CONTINUED)

7. Impairment of Goodwill

	Grand Foods Meat Plant R'000	Mac Brothers R'000	Disa Road R'000	Total R'000
7.1 Reconciliation of Goodwill				
31 December 2020				
Cost	53,910	38 598	1,194	93,702
Accumulated impairment	-	(38 598)	-	(38,598)
Carrying Value at 1 July 2020	53,910	-	1,194	55,104
Impairment of goodwill	-	-	-	-
Carrying Value at 31 December 2020	53,910	-	1,194	55,104
Made up of:				
Cost	53,910	38 598	1,194	93,702
Accumulated impairment	-	(38 598)	-	(38,598)
30 June 2020				
Cost	53,910	38 598	1,194	93,702
Accumulated impairment	-	(38 598)	-	(38,598)
Carrying Value at 1 January 2020	53,910	-	1,194	55,104
Impairment of goodwill	-	-	-	-
Carrying Value at 30 June 2020	53,910	-	1,194	55,104
Made up of:				
Cost	53,910	38 598	1,194	93,702
Accumulated impairment	-	(38 598)	-	(38,598)
31 December 2019				
Cost	53,910	38,598	1,194	93,702
Accumulated impairment	-	-	-	-
Carrying Value at 1 July 2019	53,910	38,598	1,194	93,702
Impairment of goodwill	-	(38,598)	-	(38,598)
Carrying Value at 31 December 2019	53,910	-	1,194	55,104
Made up of:				
Cost	53,910	38,598	1,194	93,702
Accumulated impairment	-	(38,598)	-	(38,598)

The Group has performed bi-annual impairment testing of all underlying cash generating units (CGU).

Mac Brothers

The Goodwill relating to Mac Brothers was fully impaired as at 30 June 2020 and therefore no further impairment relating to this has been raised on this CGU.

During the 2020 financial year Mac Brothers was significantly affected by the decline in the construction and manufacturing industries as well as the high operating leverage in the business in the first half of the year. The decline in the construction and manufacturing sectors was further exacerbated by a complete shutdown of the business during the months of April and May due to the national COVID-19 lockdown.

Revenue of R131.5 million for the year ended 30 June 2020 was R92.1 million (41%) lower than reported in the prior period. EBITDA, a loss of R26.2 million for the year ended 30 June 2020, was R33.2 million (474%) lower than reported in the prior period.

The recoverable amount of the investment was determined to be the value-in-use (VIU) which was higher than fair value less cost to sell of the business.

The Group used the following inputs to calculate the recoverable amount: pre-tax WACC of 19.85% and EBITDA growth of 24%.

Grand Foods Meat Plant

The Group did not identify any impairment relating to the Grand Foods Meat Plant CGU.

Grand Foods Meat Plant has increased sales in the current period. Gross margin, however, was under pressure due to rising beef prices driven by the increase in feed costs and a shortage of beef in the country which the business has been absorbing. Subsequently the business has incorporated the increased input costs in their sales prices.

Revenue increased by 6% compared to the prior period, from R95.4 million to R100.9 million. A Net Loss After Tax of R3.6 million was incurred in the current period, compared to a profit of R2.2 million in the prior period.

The recoverable amount of the investment was determined to be the value-in-use (VIU) which was higher than fair value less cost to sell of the business.

The Group used the following inputs to calculate the recoverable amount: pre-tax WACC of 19.20% and EBITDA growth of 3.30%.

GRAND PARADE INVESTMENTS LIMITED
CONDENSED UNAUDITED INTERIM RESULTS
 FOR THE YEAR ENDED 30 JUNE 2020

NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS
 (CONTINUED)

8. Segment Analysis

The chief decision makers are considered to be the members of the GPI Executive Committee. They review the Group's internal reporting, firstly by industry and secondly by significant business unit. The chief decision makers do not review the Group's performance by geographical sector and therefore no such disclosure has been made.

Listed below is a detailed segment analysis:

	External Revenue			Inter-Segment Revenue ⁽¹⁾			EBITDA ⁽²⁾			Net Profit/(Loss) After Tax			Total Assets			Total Liabilities		
	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000	Unaudited 31 December 2020 R'000	Unaudited 31 December 2019 R'000	Audited 30 June 2020 R'000
Food	844,432	842,485	1,310,908	11,124	5,883	7,506	59,169	94,842	80,351	(15,718)	(34,526)	(121,154)	1,380,876	1,368,611	1,402,836	(759,112)	(599,306)	(751,113)
Burger King	685,117	640,782	1,028,976	-	-	-	61,727	83,176	96,951	(6,424)	8,753	(29,549)	1,053,510	927,156	1,065,000	(605,537)	(469,625)	(610,245)
Mac Brothers	58,287	92,055	125,605	11,124	5,883	7,506	529	(2,995)	(24,961)	(6,032)	(48,367)	(83,168)	113,575	137,219	127,844	(113,106)	(101,741)	(112,726)
Spur	-	14,086	14,086	-	-	-	(39)	13,971	13,874	(39)	7,194	7,106	138,832	227,910	143,648	(199)	(69)	(109)
Grand Food Meat Plant	101,028	95,562	142,241	-	-	-	(3,048)	5,421	1,484	(3,223)	2,625	(846)	64,152	62,379	55,537	(37,635)	(24,368)	(25,398)
Dunkin Donuts	-	-	-	-	-	-	-	(3,689)	(3,567)	-	(3,689)	(4,047)	4,379	4,379	4,379	(1,501)	(1,543)	(1,501)
Baskin-Robbins	-	-	-	-	-	-	-	(1,627)	(1,701)	-	(1,627)	(1,627)	474	1,301	474	(537)	(1,363)	(537)
Bakery	-	-	-	-	-	-	-	585	(1,729)	-	585	(9,023)	5,954	8,267	5,954	(597)	(597)	(597)
Gaming and Leisure	-	-	-	-	-	-	33,599	71,686	69,395	33,599	71,686	69,395	998,119	1,047,114	988,519	-	-	-
SunWest	-	-	-	-	-	-	9,264	41,330	39,869	9,264	41,330	39,869	622,175	644,573	612,911	-	-	-
Sun Slots	-	-	-	-	-	-	23,283	28,718	31,255	23,283	28,718	31,255	351,378	373,557	352,095	-	-	-
Worcester Casino	-	-	-	-	-	-	1,083	1,638	(90)	1,083	1,638	(90)	24,566	28,984	23,482	-	-	-
Infinity Gaming Africa	-	-	-	-	-	-	(31)	-	(1,639)	(31)	-	(1,639)	-	-	31	-	-	-
Group Central Costs	657	1,885	1,418	15,253	15,148	58,414	(17,426)	(19,158)	(45,626)	(19,783)	(30,736)	(74,748)	252,979	298,826	260,313	(193,005)	(219,208)	(268,668)
GPI Properties	657	87	316	9,539	10,353	17,482	3,028	2,020	1,564	6,426	(1,328)	(2,290)	175,284	174,958	178,111	(69,247)	(68,906)	(75,468)
Central costs	-	1,799	1,102	5,714	4,795	40,932	(20,454)	(21,178)	(47,190)	(26,209)	(29,408)	(72,458)	77,695	123,868	82,202	(123,758)	(150,302)	(193,200)
	845,089	844,371	1,312,326	26,377	21,031	65,920	75,342	147,370	104,120	(1,902)	6,424	(126,507)	2,631,974	2,714,551	2,651,668	(952,117)	(818,514)	(1,019,781)

⁽¹⁾ Transactions between segments are concluded at arms length.

⁽²⁾ EBITDA excludes inter-segment revenue, impairments and expected credit losses.

GRAND PARADE INVESTMENTS LIMITED
CONDENSED UNAUDITED INTERIM RESULTS
 FOR THE SIX MONTHS ENDED 31 DECEMBER 2020

NOTES TO THE CONDENSED UNAUDITED INTERIM RESULTS
 (CONTINUED)

9. Fair Value Measurements

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value and are observable, either directly or indirectly.
- Level 3: Techniques which use inputs and which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December, the Group held the following instruments measured at fair value:

	Level 1 R'000	Level 2 R'000	Level 3 R'000	Total R'000
31 December 2020				
Investments at fair value through OCI - Spur	138,712	-	-	138,712
30 June 2020				
Investments at fair value through OCI - Spur	143,527	-	-	143,527
31 December 2019				
Investments at fair value through OCI - Spur	224,287	-	-	224,287
Investments at fair value through OCI - Atlas Gaming	-	-	5,786	5,786
	224,287	-	5,786	230,073

COMPANY INFORMATION

DIRECTORS

A Abercrombie (Non-executive Chairman)
 M Tajbhai (Chief Executive Officer)
 J October (Chief Financial Officer)
 WD Geach (Lead independent)
 MJ Bowman
 R van Dijk
 M Nkosi
 R Kader

NATURE OF BUSINESS

Investment Holding Company

COMPANY SECRETARY

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PUBLIC OFFICER

J October

TRANSFER SECRETARIES

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 PO Box 61051, Marshalltown, 2107

AUDITORS

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 PO Box 656, Cape Town, 8000

ATTORNEYS

Cliffe Dekker Hofmeyr, PO Box 695,
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BANKERS

The Standard Bank of South Africa Limited

SPONSORS

PSG Capital (Pty) Ltd
 PO Box 7403, Stellenbosch, 7600

REGISTERED OFFICE

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REGISTRATION NUMBER

1997/003548/06

DOMICILE AND COUNTRY OF INCORPORATION

South Africa

LISTING

JSE Limited
 Sector: Financial Services
 Grand Parade Investments Limited: ("GPI" or
 "the Company" or "the Group")
 Registration number: 1997/003548/06
 ISIN: ZAE000119814
 Share code: GPL

ANNOUNCEMENT DATE

26 March 2021

www.grandparade.co.za

