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GRAND PARADE

INVESTMENTS LIMITED

SUMMARISED
AUDITED ANNUAL
FINANCIAL STATEMENTS
AT 30 JUNE 2023



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LEVEL OF ASSURANCE

LEVEL OF ASSURANCE These Summarised Financial Statements are not audited but are extracted from the Annual Financial Statements that have been audited in compliance with the applicable requirement of the Companies Act (No. 71 of 2008) of South Africa.

COMMENTARY

FOR THE YEAR ENDED 30 JUNE 2023

NATURE OF THE BUSINESS

The Company is an investment holding company and derives income mainly from dividends and interest. The Company's investment focus has transitioned to an exclusive focus on the gaming sector.

The consolidated annual financial statements of the Company and its subsidiaries also incorporate the equity accounted profit or loss of associated companies and joint ventures.

Group earnings		Notes	30 June 2023	*Restated 30 June 2022
Headline profit/(loss)	(R'000)	3	11 034	(13 749)
– Continuing	(R'000)		20 200	1 646
– Discontinued	(R'000)		(9 166)	(15 395)
Headline and diluted headline earnings/(loss) per share	(cents)	3	2.56	(3.20)
– Continuing	(cents)		4.69	0.38
– Discontinued	(cents)		(2.13)	(3.58)
Basic loss – net profit/(loss) for the year	(R'000)	3	(15 211)	(11 577)
– Continuing	(R'000)		20 200	(643)
– Discontinued	(R'000)		(35 411)	(10 934)
Basic and diluted earnings/(loss) per share	(cents)	3	(3.54)	(2.73)
– Continuing	(cents)		4.69	(5.90)
– Discontinued	(cents)		(8.23)	3.17
Dividends net of treasury shares	(R'000)		51 991	544 212
Ordinary dividend per share	(cents)		12	125

* Restated for discontinued operation.

Grand Parade Investments (GPI) performed well over the financial year with headline loss for the year improving by R24.7 million (180%) from a loss of R13.7 million to earnings of R11.0 million.

The positive performance of the Group was driven by the gaming assets which performed well over the financial year despite the challenges faced by increased load shedding and other macro-economic issues. The business of Sun Slots was particularly affected by these power cuts. Despite the challenges faced the gaming assets contributed R120.9 million to headline earnings over the year, an increase of R10.0 million (12%), compared to the prior year.

GPI's implementation of its strategy to unlock value in the prior years, with the exit of the food businesses and the liquidation of loss-making subsidiaries yielded positive results for the 2023 year with the Group returning to positive headline earnings.

GROUP FINANCIAL REVIEW

The Group uses headline earnings to assess the underlying investment contributions to the Group's earnings. The reason for using headline earnings is that it eliminates the once-off effects of the Group's investment activities and therefore provides a comparable view of the Group's continuing earnings.

GPI reported a significant improvement in its headline earnings from a loss of R13.7 million to a profit of R11.2 million. The major contributing factors are outlined below:

- The gaming assets' headline earnings contribution increased by R13.0 million from R107.9 million in the prior period to R120.9 million in the current period. The increase in earnings is largely due to the recovery of SunWest in the current year compared to the prior year.
- Central cost increased by R54.2 million in the current period largely due to transaction costs related to the mandatory offer and the restructuring of the Group.
- The loss-making subsidiary Mac Brothers was liquidated during the prior year which resulted in an increase in the earnings.

The table below reflects the contribution of each investment to Group headline earnings:

	30 June 2023	30 June 2022	Movement	
	R'000	R'000	R'000	%
Food	–	9 279	(9 279)	(100%)
Spur	–	9 279	(9 279)	(100%)
Gaming	120 987	107 904	13 083	12%
SunWest	61 988	39 174	22 814	58%
Sun Slots	53 905	65 831	(11 926)	(18%)
Worcester Casino	(173)	2 248	(2 421)	(108%)
Infinity Gaming Africa	5 267	651	4 616	709%
Central costs	(100 787)	(46 571)	(54 216)	(116%)
Corporate Costs (excluding Transaction costs, legal fees, tax and finance costs)	(32 052)	(26 881)	(5 171)	(19%)
Transaction costs, legal fees and taxation	(68 792)	(15 082)	(53 710)	(356%)
Net corporate finance costs	57	(4 608)	4 665	101%
Expected credit loss and write-off of receivables relating to Mac Brothers	–	(61 677)	61 677	100%
Loan impairment	–	(48 081)	48 081	100%
Receivable write-off	–	(13 596)	13 596	100%
Headline earnings – Continuing operations	20 200	8 935	11 265	126%
Discontinued operations	(9 166)	(22 684)	13 518	60%
Burger King	–	12 091	(12 091)	100%
Mac Brothers	–	(31 412)	31 412	100%
Grand Foods Meat Plant	–	265	(265)	100%
GPI Properties	(9 166)	(3 628)	(5 538)	(153%)
Headline earnings	11 034	(13 749)	24 783	180%

GROUP FINANCIAL REVIEW continued

Dividends

An ordinary dividend of 12 cents per share was paid on 5 December 2022 relating to the 2022 financial year.

Capital structure

The Group reduced its debt by R85.9 million during the year due to a repayment of R50.0 million on its preference debt and R35.9 million on its term loan and finance leases.

Description		30 June 2023 R'000	30 June 2022 R'000	Movement R'000	%
Holding company facilities		50 000	100 000	(50 000)	50%
SunWest and Sun Slots	Preference shares	50 000	100 000	(50 000)	50%
Subsidiary facilities		–	35 868	(35 868)	100%
GPI Properties	Term loans (Mortgage)	–	35 868	(35 868)	100%
Total Debt⁽¹⁾		50 000	135 868	(85 868)	63%

⁽¹⁾ Total debt refers to the non-current and current portions of the preference shares and interest-bearing borrowings.

REVIEW OF INVESTMENT OPERATIONS

FOOD

During the prior year, the Group exited all its investments in the food industry.

GAMING

SunWest

SunWest's revenue increased by R527.0 million from R1.719 billion in the prior year to R2.245 billion in the current year.

EBITDA increased by 27% from R533.2 million in the prior year to R729.6 million in the current year.

Net Profit after tax increased by 47% to R410.5 million for the year (2022: R218.8 million).

Total dividends of R315.0 million were paid for the year of which the Group's portion was R47.60 million.

Sun Slots

The Sun Slots business has been affected by the increased load shedding experienced in the current year, which reduced the footfall of patrons at sites.

Despite the impact of load shedding on the businesses of Sun Slots, revenue increased revenue by 6% from R1.414 billion in the prior year to R1.493 billion in the current year.

EBITDA decreased by 10% from R401.7 million in the prior year to R361.7 million in the current year.

Net Profit after Tax decreased by R39.7 million from R219.4 million in the prior year to R179.7 million in the current year.

Dividends of R260 million were paid for the year of which the Group's portion was R78 million.

Worcester

Worcester revenue increased by R10.9 million from R120.2 million in the prior year to R131.1 million in the current year.

EBITDA for the current year remained unchanged from prior year at R10.9 million.

Dividends of R6.5 million were paid for the year of which the Group's portion was R0.9 million.

OTHER

Central costs

The Group's net central costs (excluding funding cost and transaction costs) for the year amounted to R32.0 million, which is 19% higher than the central costs of R26.9 million in the prior year. This is primarily a result of the increased audit fees relating to the BKSA audit in the prior year and the 2022 audit fee for the Group.

Share capital

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

Treasury shares

At 30 June 2023 a total of 39.3 million GPI shares were held as treasury shares by the Grand Parade Share Incentive Trust, GPI Management Services and the GPI Women's B-BBEE Empowerment Trust. These entities are controlled by the Group, with the Grand Parade Share Incentive Trust holding 0.49 million treasury shares, GPI Management Services holding 24 million shares and the GPI Women's B-BBEE Empowerment Trust holding 14.82 million treasury shares.

Preference shares

During the current year, the Group redeemed 5 000 redeemable preference shares (SunWest) held by RMB at a redemption price of R10 000 per share, totaling R50.0 million.

Capital commitments

There are no capital commitments.

Directors and Company Secretary

During the year the following changes to the directorate took place:

- G Bortz, appointed 27 March 2023 to the Board became CEO of the Group with effect from 2 May 2023
- G Orrie, appointed 25 April 2023, as Chairman of the Group
- K Finch, appointed 27 March 2023
- A Abercrombie, resigned 7 April 2023
- M Bowman, resigned 6 April 2023
- R van Dijk, resigned 6 April 2023
- M Nkosi, resigned 14 November 2022
- M Tajbhai, resigned 4 May 2023 as CEO of the Group and assumed a position on the Board as a non-executive director on 4 May 2023

The Company Secretariat remained unchanged.

Particulars of the present Directors and Company Secretary are given on page 20.

Going concern

Management performed various scenario analyses considering the likelihood of a further impact on the underlying businesses of potential macro-economic shocks and the continued negative effects of load shedding. Based on this assessment and the available financial resources of the Group together with anticipated cash flows from continuing operations, management is satisfied and comfortable to confirm the going concern status of the Group. 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 the presentation of the financial statements on a going concern basis to be appropriate.

There are no pending or threatened legal or arbitration proceedings that have had or may have a material effect on the financial position of the Group.

Subsequent events

During July 2023 the sale of the Thornton property was completed and the funds were received. The net proceeds of R9.0 million was received. During August 2023, the sale of the office block, situated on 33 Heerengracht was completed and the transfer took place on 16 August 2023. The net proceeds of R58.0 million were received. All remaining outstanding preference shares were redeemed during August 2023. The balance of R50.7 million (which included all accrued interest) was settled.

Prospects

The Group is now exclusively focused on the Gaming sector. Going forward, the Group's strategies include:

- continuing its robust oversight of its existing gaming investments;
- selected mergers and acquisitions in the gaming sector; and
- de novo online gaming organic growth opportunities.

While business prospects in South Africa remain challenging, management believes that the gaming sector as a whole is well-positioned for future growth. Management believes that by virtue of the Group's existing gaming holdings and interests, interesting strategic and organic growth opportunities will arise. A cautious but engaged approach will be adopted.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R'000	*Restated 2022 R'000
CONTINUING OPERATIONS			
Revenue	4	1 356	10 729
Operating costs		(102 432)	(63 291)
Profit from equity-accounted investments		120 988	107 905
Expected credit loss**		–	(50 820)
Finance income		7 972	4 286
Finance costs		(7 809)	(8 876)
Profit/(loss) before taxation		20 075	(67)
Taxation		125	(576)
Profit/(loss) for the year from continuing operations		20 200	(643)
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	5.2	(35 411)	(10 934)
Loss for the year		(15 211)	(11 577)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss			
Realised fair value adjustments on investments held at fair value through OCI		–	2 242
Unrealised fair value adjustments on investments held at fair value through OCI		2 075	930
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(13 136)	(8 405)
Profit/(loss) for the period from continuing operations attributable to:			
– Ordinary shareholders		20 200	(643)
Loss for the period from discontinued operations attributable to:			
– Ordinary shareholders	5.2	(35 411)	(11 093)
– Non-controlling interest		–	159
		(15 211)	(11 577)
Total comprehensive profit from continuing operations attributable to:			
– Ordinary shareholders		22 275	2 529
Total comprehensive profit from discontinued operations attributable to:			
– Ordinary shareholders	5.2	(35 411)	(11 093)
– Non-controlling interest		–	159
		(13 136)	(8 405)
		Cents	Cents
Basic earnings/(loss) per share			
– Continuing operations	3.5	(3.54)	(2.73)
– Discontinued operations	3.5	4.69	(0.15)
	3.5	(8.23)	(2.58)
Diluted earnings/(loss) per share			
– Continuing operations	3.5	(3.54)	(2.73)
– Discontinued operations	3.5	4.69	(0.15)
	3.5	(8.23)	(2.58)

* The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 5).

** For the period ended 30 June 2022, expected credit loss includes the impairment of the inter-company loan with Mac Brothers. The expected credit loss of the loan amounted to R48.0 million and the expected credit loss on receivables amounted to R2.8 million. Write-off of the receivables have been included under operating expenses.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	Notes	2023 R'000	2022 R'000
ASSETS			
Non-current assets			
		984 615	1 075 652
Investments in jointly-controlled entities		638 909	624 485
Investments in associates		321 553	341 536
Investments held at fair value through OCI	7.1	17 960	14 695
Investment properties		–	76 500
Property, plant and equipment		846	1 415
Intangible assets		11	12
Deferred proceeds		–	13 957
Deferred tax assets		5 336	3 052
Assets classified as held for sale	6.1	67 767	44 650
Current assets			
		107 764	198 537
Inventory		–	305
Related party receivable		–	6 032
Trade and other receivables		10 813	3 959
Income tax receivable		1 329	1 329
Deferred proceeds		13 889	–
Cash and cash equivalents		81 733	186 912
Total assets			
		1 160 146	1 318 839
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity			
		1 075 774	1 140 901
Ordinary share capital		798 586	798 586
Treasury shares		(149 849)	(152 790)
Accumulated profit		433 600	502 921
Investments held at fair value reserve		(6 563)	(8 638)
Share-based payment reserve		–	822
Total shareholders' equity			
		1 075 774	1 140 901
Non-current liabilities			
		50 428	102 303
Preference shares		50 000	100 000
Provisions		86	120
Deferred tax liabilities		342	2 183
Current liabilities			
		33 944	75 635
Interest-bearing borrowings		–	35 868
Provisions		1 800	316
Trade and other payables		10 204	5 708
Dividends payable		21 887	21 267
Dividend tax payable		–	12 362
Income tax payable		53	114
Total equity and liabilities			
		1 160 146	1 318 839

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	Ordinary share capital R'000	Treasury shares R'000	Accumu- lated 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 2021	798 586	(153 079)	1 176 897	(113 028)	867	(34 612)	1 675 631
Total comprehensive loss for the year	-	-	(11 577)	3 172	-	-	(8 405)
- Loss for the year from continuing operations	-	-	(25 350)	-	-	-	(25 350)
- Loss for the year from discontinued operations	-	-	13 773	-	-	-	13 773
- Other comprehensive loss	-	-	-	3 172	-	-	3 172
Realised fair value adjustments on investments held at fair value through OCI	-	-	(101 218)	101 218	-	-	-
Increase in BKSA investment	-	-	(16 725)	-	-	16 725	-
Dividends paid	-	-	(544 212)	-	-	-	(544 212)
Ordinary dividend paid	-	-	(393 412)	-	-	-	(393 412)
Dividend in specie ⁽¹⁾	-	-	(150 800)	-	-	-	(150 800)
Treasury shares allocated to employees	-	289	(244)	-	(45)	-	-
Derecognition of BKSA non-controlling interest	-	-	-	-	-	17 887	17 887
Balance at 30 June 2022	798 586	(152 790)	502 921	(8 638)	822	-	1 140 901
Total comprehensive (loss)/income for the year	-	-	(15 211)	2 075	-	-	(13 136)
- Loss for the year from continuing operations	-	-	(15 211)	-	-	-	(15 211)
- Loss for the year from discontinued operations	-	-	-	-	-	-	-
- Other comprehensive loss	-	-	-	2 075	-	-	2 075
Dividends paid	-	-	(51 991)	-	-	-	(51 991)
Treasury shares allocated to employees	-	2 941	(2 722)	-	(219)	-	-
Share-based payment reserve expense	-	-	-	-	-	-	-
Share options lapsed	-	-	603	-	(603)	-	-
Balance at 30 June 2023	798 586	(149 849)	433 600	(6 563)	-	-	1 075 774

⁽¹⁾ The Groups investment, in the Spur Corporation was unbundled and distributed as a dividend in specie on 17 June 2022, which amounted to a dividend of 36 cents.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 R'000	*Restated 2022 R'000
Cash flows from operating activities			
Net cash generated from operations		(105 663)	(30 023)
Income tax paid		(990)	(262)
Dividend tax paid		(12 362)	–
Finance income received		7 972	4 286
Cash inflow from discontinued operations	5.3	1 772	86 941
Net cash (outflow)/inflow from operating activities		(109 271)	60 942
Cash flows from investing activities			
Proceeds from sale of BKSA and GFMP investments		929	477 393
Acquisition of property, plant and equipment		(728)	–
Proceeds from disposal of property, plant and equipment		220	–
Proceeds from related party loans		1 855	–
Dividends received		127 694	142 384
Cash inflow/(outflow) from discontinued operations	5.3	20 000	(37 123)
Net cash inflow from investing activities		149 970	582 654
Cash flows from financing activities			
Dividends paid		(51 371)	(369 912)
Employee loans		–	17 683
Preference share redemption		(50 000)	(184 988)
Preference share issued		–	100 000
Bridging facility raised		–	100 000
Bridging facility repaid		–	(100 000)
Related party loans		–	2 500
Finance costs		(7 809)	(11 663)
Cash from discontinued operations	5.3	(36 698)	(137 536)
Net cash outflow from financing activities		(145 878)	(583 916)
Net increase/(decrease) in cash and cash equivalents		(105 179)	59 680
Cash and cash equivalents at the beginning of the year		186 912	127 232
Total cash and cash equivalents at the end of the year		81 733	186 912

* The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 5).

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial results

The summarised audited financial statements for the year ended 30 June 2023 are prepared in accordance with the JSE Listings Requirements and the requirements of the Companies Act of South Africa. This provisional report is prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS), the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 – Interim Financial Reporting. The Group has not early adopted any standard, interpretation or amendments that has been issued but is not yet effective. During the year, various new and revised accounting standards became effective, however, their implementation had no impact on the results of either the current or prior year except as indicated in Note 1.2. 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 2022. These summarised audited financial statements have been prepared under the supervision of J October CA(SA), chief financial officer, and were approved by the board of directors on Tuesday, 26 September 2023. The directors take full responsibility for the preparation of these condensed reviewed consolidated financial statements.

1.2 Changes in accounting policies

The Group has adopted all the new, revised and amended accounting standards which were effective for the Group from 1 July 2022. None of the adoptions had a significant impact on the results of the Group.

2. SEGMENT ANALYSIS

The chief decision-makers are considered to be the members of the GPI Executive Committee, who 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⁾		Operating costs ⁽²⁾		Equity accounted earnings		EBITDA ⁽³⁾	
	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000
Food	1 147	10 729	-	-	(902)	(1 464)	-	-	245	9 265
Spur	1 147	10 729	-	-	(902)	(1 464)	-	-	245	9 265
Gaming and leisure⁽⁴⁾	-	-	-	-	-	-	120 987	107 905	120 987	107 905
SunWest	-	-	-	-	-	-	61 988	39 175	61 988	39 175
Sun Slots	-	-	-	-	-	-	53 905	65 831	53 905	65 831
Worcester Casino	-	-	-	-	-	-	(173)	2 248	(173)	2 248
Infinity Gaming Africa	-	-	-	-	-	-	5 267	651	5 267	651
Group costs	209	-	142 103	1 128 252	(104 707)	(52 291)	-	-	(103 351)	(52 585)
Central costs	209	-	142 103	1 128 252	(104 707)	(52 291)	-	-	(103 351)	(52 585)
	1 356	10 729	142 103	1 128 252	(105 609)	(53 775)	120 987	107 905	17 881	64 585

* The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 5)

⁽¹⁾ Transactions between segments are concluded at arm's-length.

⁽²⁾ Certain costs are presented pre elimination of intergroup charges and net profit is after these eliminations.

⁽³⁾ EBITDA excludes inter-segment revenue, impairments and expected credit losses.

⁽⁴⁾ The Gaming and leisure segment consists of the amount of investment in joint ventures and associates of the Group.

Impairments of assets and goodwill		Depreciation & amortisation		Finance income		Finance costs		Net profit/(loss) after tax		Total assets		Total liabilities	
2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000	2023 R'000	*Restated 2022 R'000
-	-	-	-	-	-	-	-	-	9 280	-	-	-	-
-	-	-	-	-	-	-	-	-	9 280	-	-	-	-
-	-	-	-	-	-	-	-	-	107 905	960 462	966 020	-	-
-	-	-	-	-	-	-	-	-	39 175	638 909	624 485	-	-
-	-	-	-	-	-	-	-	-	65 831	291 988	316 083	-	-
-	-	-	-	-	-	-	-	-	2 248	22 045	23 200	-	-
-	-	-	-	-	-	-	-	-	651	7 520	2 252	-	-
-	(13 282)	(48)	(71)	7 972	4 270	(7 809)	(8 877)	(102 988)	(120 787)	123 947	221 631	54 592	(136 045)
-	(13 282)	(48)	(71)	7 972	4 270	(7 809)	(8 877)	(102 988)	(120 787)	123 947	221 631	54 592	(136 045)
-	(13 282)	(48)	(71)	7 972	4 270	(7 809)	(8 877)	(102 988)	(3 602)	1 084 409	1 187 651	54 592	(136 045)

3. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary equity holders of the Company by the Weighted Average Number of Ordinary Shares (WANOS) in issue during the year.

Diluted earnings per share amounts are calculated by dividing the net profit for the year attributable to ordinary shareholders by the diluted WANOS in issue.

Headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the WANOS in issue for the year.

Diluted headline earnings per share amounts are calculated by dividing the headline earnings for the year attributable to ordinary shareholders by the diluted WANOS in issue for the year.

3.1 Reconciliation of the loss for the year attributable to ordinary shareholders

	2023 R'000 Gross	2023 R'000 Net	*Restated 2022 R'000 Gross	*Restated 2022 R'000 Net
Basic and diluted loss per share reconciliation				
Profit/(loss) for the year		(15 211)		(11 577)
– Continuing operations		20 200		(643)
– Discontinued operations		(35 411)		(10 934)
Non-controlling interest		–		(159)
Loss for the year attributable to ordinary shareholders		(15 211)		(11 736)

No adjustments have been made to basic earnings in the calculation of diluted earnings.

3.2 Reconciliation of headline (loss)/earnings for the year

	2023 R'000 Gross	2023 R'000 Net	2022 R'000 Gross	2022 R'000 Net
Loss for the year attributable to ordinary shareholders	–	(15 211)	–	(11 736)
Continuing operations:				
Impairment of associates	–	–	13 281	13 281
Discontinued operations:				
Profit on derecognition of subsidiary	–	–	(68 196)	(68 196)
Impairment of investment property	18 500	13 505	18 133	18 133
Impairment of non-current assets held for sale: Land and buildings	10 010	7 307	–	–
Impairment of non-current assets held for sale: Plant and machinery	5 725	5 725	–	–
Profit on disposal of investment property	(400)	(292)		
Loss on disposal of investments in BKSA and GFMP	–	–	34 769	34 769
Total headline profit/(loss)		11 034		(13 749)
Total headline (loss)/profit				
– Continuing operations		20 200		8 935
– Discontinued operations		(9 166)		(22 684)
		11 034		(13 749)

3.3 Reconciliation of WANOS – net of treasury shares

	2023 '000s	2022 '000s
Shares in issue at beginning of the year	429 937	429 718
Treasury shares issued to employees	311	259
	430 248	429 977

* The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 5).

3. BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

3.4 Reconciliation of diluted WANOS – net of treasury shares

	2023 '000s	2022 '000s
WANOS in issue – net of treasury shares	430 248	429 977
Effects of dilution from:		
Share options	–	–
Diluted WANOS in issue – net of treasury shares	430 248	429 977

3.5 Statistics

	Cents	Cents
Basic profit/(loss) per share	(3.54)	(2.73)
– Continuing operations	4.69	(0.16)
– Discontinued operations	(8.23)	(2.57)
Diluted profit/(loss) per share	(3.54)	(2.73)
– Continuing operations	4.69	(0.16)
– Discontinued operations	(8.23)	(2.57)
Headline profit/(loss) per share	2.56	(3.20)
– Continuing operations	4.69	2.93
– Discontinued operations	(2.13)	(6.13)
Diluted headline profit/(loss) per share	2.56	(3.20)
– Continuing operations	4.69	2.93
– Discontinued operations	(2.13)	(6.13)
Dividend per share	12	125

4. REVENUE

4.1 Disaggregation of revenue

	2023 R'000	*Restated 2022 R'000
Other revenue		
Dividends received	1 147	10 729
Other income ⁽¹⁾	209	–
	1 356	10 729

* The prior year comparatives have been restated to separately reflect the results of discontinued operations (refer note 5) and

⁽¹⁾ Other income includes board fees received by the directors of Grand Parade Investments Limited from the Group's gaming investments.

5. DISCONTINUED OPERATIONS

5.1 Operations discontinued

During the current year the Group entered into sale agreements for the properties owned by GPI Properties (Pty) Ltd. The associated properties were classified as held for sale on 30 June 2023 and were subsequently sold during the months of July and August 2023. Consequently, the operations of GPI Properties (Pty) Ltd is presented as a discontinued operation in the current year and the comparatives have been restated to include GPI Properties as a discontinued operation in the prior year.

During the prior year, in April 2022 the board resolved to liquidate a subsidiary Macbrothers Catering Equipment (Pty) Ltd. The liquidator was appointed during April 2022. The business is still in the process of being liquidated. During the prior year the Group also disposed of all its shares in BKSA and GFMP to ECP. These subsidiaries are accounted for in the discontinued operations below.

5. DISCONTINUED OPERATIONS (CONTINUED)

The results of discontinued operations are presented below:

	GPI Properties		Grand Foods Bakery		Macbrothers		Burger King		Grand Foods Meat Plant		Total	
	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000	2023 R'000	2022 R'000
5.2 Results of discontinued operations												
Revenue	8 727	6 798	-	-	-	64 323 (43 401)	-	512 696 (251 209)	-	75 975 (72 741)	8 727	659 792 (367 351)
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-
Gross Profit	8 727	6 798	-	-	-	20 922 (52 724)	-	261 487 (225 944)	-	3 234 (2 683)	8 727	292 441 (310 104)
Operating costs	(40 449)	(28 753)	(5 725)	-	-	-	-	(239)	-	-	(46 174)	(310 104) (239)
Expected credit losses	-	-	-	-	-	-	-	-	-	-	-	-
Profit on derecognition of subsidiary	-	-	-	-	-	68 196	-	-	-	-	-	68 196
Profit/(loss) on sale of investments	-	-	-	-	-	-	-	27 271	-	(62 040)	-	(34 769)
Profit/(loss) before finance costs and taxation	(31 722)	(21 955)	(5 725)	-	-	36 394	-	62 575	-	(61 489)	(37 447)	15 525
Finance income	85	11	-	-	-	-	-	-	-	-	85	11
Finance costs	(997)	(2 763)	-	-	-	(4 028)	-	(13 806)	-	(324)	(997)	(20 921)
Profit/(loss) before taxation	(32 634)	(24 707)	(5 725)	-	-	32 366	-	48 769 (5 587)	-	(61 813) 38	(38 359)	(5 385) (5 549)
Taxation	2 948	-	-	-	-	-	-	-	-	-	2 948	(5 549)
Profit/(loss) for the period	(29 686)	(24 707)	(5 725)	-	-	32 366	-	43 182	-	(61 775)	(35 411)	(10 934)
5.3 Cash flows (used in)/from discontinued operations												
Net cash (utilised in)/generated from operating activities	1 772	13 859	-	-	-	1 592	-	66 153	-	5 337	1 772	86 941
Net cash utilised in investing activities	20 000	-	-	-	-	-	-	(37 123)	-	-	20 000	(37 123)
Net cash (utilised in)/generated from financing activities	(36 698)	(7 499)	-	-	-	(111 561)	-	(12 158)	-	(6 318)	(36 698)	(137 536)
Net cash flow for the year	(14 926)	6 360	-	-	-	(109 969)	-	16 872	-	(981)	(14 926)	(87 688)

⁽¹⁾ In the prior year the impairment relates to the assets of Mac Brothers, the value was based on the auction proceeds of the assets.

6. NON-CURRENT ASSETS HELD FOR SALE

6.1 The assets included in non-current assets held for sale are as follows:

Non-current assets	Notes	2023 R'000	2022 R'000
Land and buildings	6.1.1	67 090	38 700
Property, plant and equipment	6.1.2	677	5 950
		67 767	44 650
6.1.1 Reconciliation of land and buildings			
Opening balance ⁽¹⁾		38 700	19 100
Transfers from property, plant and equipment ⁽²⁾		–	19 600
Transfers from investment property ⁽³⁾		58 000	
Disposal ⁽²⁾		(19 600)	–
Impairment	6.1.3	(10 010)	–
Closing balance		67 090	38 700
6.1.2 Reconciliation of property, plant and equipment			
Opening balance ⁽¹⁾		5 950	5 950
Transfers from property, plant and equipment ⁽²⁾		452	–
Impairment	6.1.3	(5 725)	–
Closing balance		677	5 950
6.1.3 Impairment of non-current assets-held-for-sale			
Land and buildings	6.1.1	(10 010)	–
Property, plant and equipment	6.1.2	(5 725)	–
		(15 735)	–

⁽¹⁾ The 2023 opening balance consists of the meat production facility situated in Epping Industria, the industrial building situated in Thornton and the property, plant and equipment, previously used by Grand Bakery to produce the doughnuts for Dunkin Donuts and the property, plant and equipment that was previously used. The sale of the meat production facility was concluded during the year and transfer took place on 11 August 2022. The sale of the industrial building in Thornton was finalised in July 2023 and transfer took place on 21 July 2023.

⁽²⁾ In the 2022 financial year the meat production facility situated in Epping Industria was transferred from property, plant and equipment to non-current asset held for sale.

⁽³⁾ During the current year the office building situated on the Foreshore, Cape Town was transferred to non-current-assets held for sale when it met the requirements. The building was previously classified as investment property. The sale of the building was concluded during August 2023 and transfer took place on 22 August 2023.

7. FINANCIAL INSTRUMENTS – DISCLOSURE

7.1 Fair value of financial instruments

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 which have a significant effect on the recorded fair value that are not based on observable market data.

(*) There are no financial instruments classified as level 2 and 3.

As at 30 June, the Group held the following instruments measured at fair value:

	Level 1 R'000	Total R'000
2023		
Investments held at fair value – Spur ⁽¹⁾	17 960	17 960
Total	17 960	17 960
2022		
Investments held at fair value – Spur ⁽¹⁾	14 695	14 695
Total	14 695	14 695
	2023 R'000	2022 R'000
Current asset	–	–
Non-current asset	17 960	14 695
	17 960	14 695

(1) The Groups investment, in the Spur Corporation was unbundled and distributed as a dividend in specie on 17 June 2022, which amounted to a dividend of 36 cents, a portion of this investment is still held by the Group due to the treasury shareholders.

Investments held at fair value – Spur	Level 1 R'000	Total R'000
2023		
Opening balance – 1 July	14 695	14 695
Fair value adjustments	2 075	2 075
Additions	1 190	1 190
Carrying value – 30 June	17 960	17 960
2022		
Opening balance – 1 July	162 619	162 619
Fair value adjustments	3 172	3 172
Disposal	(151 096)	(151 096)
Closing balance – 30 June	14 695	14 695

COMPANY INFORMATION

FOR THE YEAR ENDED 30 JUNE 2023

Directors	G Orrie (Non-executive Chairman) appointed 25 April 2023 G Bortz (Chief Executive Officer) appointed 27 March 2023 J October (Chief Financial Officer) R Kader (Lead independent) M Tajbhai (Non-executive) K Finch (Non-executive) appointed 27 March 2023 WD Geach (Non-executive) A Abercrombie resigned 7 April 2023 M Nkosi resigned 14 November 2022 M Bowman resigned 6 April 2023 R van Dijk resigned 6 April 2023
Public Officer	J October CA(SA)
Registration number	1997/003548/06
Domicile and country of incorporation	South Africa
Nature of business	Investment Holding Company
Registered office	10th Floor, 33 on Heerengracht Heerengracht Street Cape Town 8001
Preparer of the financial statements	The annual financial statements were prepared under supervision of Grand Parade Investments' (GPI) Group Chief Financial Officer, J October CA(SA).
Company Secretary	Statucor (Pty) Ltd 6th Floor 119 – 123 Hertzog Boulevard Foreshore Cape Town 8001
Transfer Secretaries	Computershare Investor Services (Pty) Ltd P O Box 61051 Marshalltown 2107
Sponsors	PSG Capital (Pty) Ltd PO Box 7403 Stellenbosch 7600
Auditors	Moore Cape Town Inc. 2nd Floor Block 2 Northgate Park Paarden Eiland 7406
Attorneys	Cliffe Dekker Hofmeyr PO Box 695 Cape Town 8000
Bankers	The Standard Bank of South Africa Limited First National Bank



GRAND PARADE

INVESTMENTS LIMITED