



GRAND PARADE

INVESTMENTS LIMITED

2021

CONDENSED
UNAUDITED FINANCIAL
STATEMENTS FOR
THE PERIOD ENDED
31 DECEMBER 2021



Revenue from continuing operations
has decreased by **16% to**
R49.4 million

Net Profit After Tax (NPAT)
increased by **R8.8 million** from
R7.7 million to R16.5 million

Group EPS – increased by 4.33c

Group HEPS – increased by 5.76c

Declared **88 cents** dividend
amounting to **R413.6 million**

Debt reduced by R102 million
during the period

SALIENT FEATURES

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INTRODUCTION

GPI continued its positive momentum in unlocking value for its stakeholders in the six months ended 31 December 2021.

The most significant development during the period was the completion of the sale of Burger King South Africa and Grand Foods Meat Plant on 3 November 2021. The proceeds from this sale enabled GPI to reduce debt by R102 million during the period and declared a dividend of 88c per share, the largest in GPI's history. This has left GPI in a strong financial position with gross debt of R140 million and net debt of R32 million as of 31 December 2021.

With Burger King South Africa and Grand Foods Meat Plant accounted as discontinued operations in the current reporting period, the primary drivers of financial performance are Mac Brothers and GPI's investments in Spur, SunWest, Sun Slots and Worcester Casino. The Group reported a decrease in revenue from continuing operations of 16% and an increase in Net Profit After Tax of R8.8 million compared to the prior period. Basic earnings and headline earnings per share for the Group increased by 4.33 cents and 5.76 cents to 4.03 cents and 4.77 cents respectively compared to the prior interim period.

The primary driver of the decline in revenue during the period was Mac Brothers, which has been negatively affected by the slow recovery of the construction and manufacturing sectors. Over the last six months the business has struggled to grow its top line with revenue for the period down 25% on the prior interim period. Management is taking urgent steps to stop the losses in Mac Brothers.

The primary drivers of the improved profitability during the period were the recoveries in Spur, SunWest, Sun Slots and Worcester Casino, including the resumption of dividends by these entities. The earnings contribution of GPI's Gaming assets improved by 51%, with particularly strong performance in Sun Slots.

GROUP FINANCIAL REVIEW

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

The table below shows the contribution each investment made to Group headline earnings:

	Unaudited 31 December 2021 R'000s	Unaudited 31 December 2020 R'000s	Var R'000s	Var %
Food	(7 169)	(5 542)	(1 628)	(29)
Spur	6 559	(39)	6 598	16 918
Mac Brothers	(13 728)	(5 503)	(8 225)	(149)
Gaming & Leisure	50 752	33 568	17 184	51
SunWest	14 265	9 305	4 960	53
Sun Slots	34 341	23 098	11 243	49
Worcester Casino	2 146	1 196	950	79
Infinity Gaming Africa		(31)	31	100
Group central costs	(27 238)	(24 888)	(2 350)	9
Corporate costs net of finance charges	(14 738)	(17 335)	2 597	15
Transaction costs and legal fees	(8 071)	(3 162)	(4 909)	(155)
Net finance cost	(3 944)	(5 712)	1 768	31
GPI Properties	(485)	1 321	(1 806)	(137)
Headline earnings for the period:				
Continuing operations	16 345	3 138	13 206	421
Discontinued operations	4 150	(7 351)	11 501	156
Burger King South Africa	3 896	(4 128)	8 024	194
Grand Food Meat Plant	254	(3 223)	3 477	108
Headline earnings for the period: Group	20 495	(4 213)	24 708	586

Dividends

A dividend of 88 cents was declared and paid on the 4th of December 2021 and amounted to R413,6 million.

Capital structure

During the period the Group changed its preference share funding from Standard Bank to FIRSTRAND Bank Limited. A bridging facility was put in place to replace the Standard Bank preference funding and this debt was reduced to R100 million following the sale of Burger King and Grand Foods Meat Plant.

Over the past six months the Group decreased its gearing levels from 13.8% to 2.4%.

		31 December 2021 R'000s	31 December 2020 R'000s	30 June 2021 R'000s
HOLDING COMPANY FACILITIES				
Security	Type of Facility			
Sunwest and Sun Slots	Preference Shares	–	186 743	186 971
Sunwest and Sun Slots	Bridge Finance	100 000		
SUBSIDIARY FACILITIES				
Subsidiary	Type of Facility			
GPI Properties	Term Loans	39 618	54 095	43 365
Mac Brothers	Finance Lease	114	860	1 125
Burger King South Africa	Finance Lease	–	213	356
		39 732	55 168	44 846
Total debt		139 732	241 911	231 817
Debt/EBITDA		2.4%	11.2%	13.8%
Debt/equity		1	3.11	1.81

REVIEW OF INVESTMENT OPERATIONS

FOOD

Burger King and Grand Foods Meat Plant

The sale of Burger King and Grand Foods Meat Plant was concluded on the 3rd of November 2021. For the period under review, the results of Burger King and Grand Foods Meat Plant for 4 months ended 31 October 2021 are accounted for as discontinued operations.

Mac Brothers Catering Equipment

Mac Brothers' revenue of R43.5 million for the 6-month period was 25% lower than the R58.3 million reported for the same period last year. All revenue channels were down on prior period in particular local catering equipment sales. Tougher local trading conditions, further exacerbated by COVID-19 trade restrictions, affected the businesses core market during the period.

Mac Brothers reported a negative EBITDA of R7.08 million for the period. The EBITDA for the comparable period to December 2020 was a positive R2 million. A net loss before tax of R13.8 million for the current period is 206.7% greater than the previous period's net loss before tax of R4.5 million. The reason for this is that UIF TERS relief was received in the prior period and not in the period under review.

Spur

A total dividend of R6.6 million was received during the period under review resulting in a R6.5 million reported net profit contribution.

No dividends were received in the comparative period.

GAMING

Sunwest

SunWest struggled under lockdown regulations with COVID-19 related restrictions continuing to impact revenue generation. The subsequent easing of restrictions during December has since had a positive effect on the performance of the business.

Although SunWest has showed recovery over the period the business still trades below pre COVID-19 levels (six months ended 31 December 2019). Revenue for the period under review is 48% less than reported for period ended 31 December 2019. EBITDA and NPAT are 67% and 85%, respectively, lower than the 6 months ended December 2019.

Revenue increased by 10% from R606.8 million for the six months ended 31 December 2020 to R665.3 million. EBITDA decreased by 15% from R180.1 million in the prior period to R153.7 million for the period under review. NPAT increased by 54% to R94.5 million for the current period (2020: R61.3 million).

Dividends of R150 million was declared of which the Group received R22.65 million (2020: nil).

Sun Slots

Sun Slots has been resilient despite the challenging trading conditions. The gradual easing of the COVID-19 restrictions has allowed the business to recover to pre COVID-19 levels.

In comparison with pre COVID-19 levels, revenue for the current period under review is marginally, 3.1%, less than the period ended 31 Dec 2019 while EBITDA and NPAT improved by 31.2% and 18.6% respectively compared to the six months ended 31 December 2019.

For the six months ended 31 December 2021 Sun Slots revenue increased by 17% from R583.1 million in 2020 to R683.72 million for the period ended 31 December 2021. EBITDA increased by 43% from R146.7 million in the prior period to R209.4 million for the period under review.

Sun Slots NPAT increased by 55% from R73.9 million in the prior period to R114.4 million in the six months to December 2021.

Dividends of R90 million was declared of which the Group received R27.0 million (2020: R80 million of which the Group received R24.0 million).

Worcester

Worcester Casino's revenue decreased by 3% from R57.5 million in the prior period to R55.9 million for the period under review. EBITDA decreased by 49% from R15.6 million to R8.02 million in the current period.

Net profit after tax increased by 97% to R14.21 million (2020: R10.8 million) for the period under review.

Dividends of R13.2 million was declared of which the Group received R1.9 million (2020: nil).

OTHER

Central costs

The Group's net central costs excluding legal and transaction costs for the period amounted to R14.5 million, a decrease of 15% compared to the prior period. The decrease in central costs was achieved through the restructure of the Group and various cost saving initiatives implemented.

Share capital

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

Treasury shares

At 31 December 2021 a total of 40.1 million (2020: 40.5 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 1.34 million (2020: 1.72 million) treasury shares, GPI Management Services holding 24 million (2020: 24 million) shares and the GPI Women's BBBEE Empowerment Trust holding 14.82 million (2020: 14.82 million) treasury shares.

Preference shares

During the current year, the Group redeemed R184.9 million (2020: R16.0 million) worth of preference shares. The redemption of the preference shares issued to Standard Bank of South Africa was funded by a bridge facility from FIRSTRAND Bank Limited. The limit of the facility is R150m of which R100m was drawn as at the period ended 31 December 2021. This facility will be replaced by a preference facility with FIRSTRAND Bank Limited.

Directors and company secretary

There has been no changes to the directorate or company secretary during the period under review.

Particulars of the present directors and company secretary are provided on page 28.

Going concern

These Annual Financial Statements have been prepared on the 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 financial statements on this basis is appropriate.

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 2021.

Subsequent events

Due to the further decline in the Mac Brothers business the board is considering business rescue of Mac Brothers and various other options available.

THE WAY FORWARD

The COVID-19 pandemic has had a significant impact on the South African economy and has changed the business landscape. However, the decrease in the severity of Omicron strain of COVID-19 coupled with the easing of the lockdown and travel restrictions has created a welcomed shift towards normality. GPI is well positioned to take advantage of this positive shift which will aid the recovery of the Gaming businesses. The Group has drastically reduced debt and head office costs over the last six months which will allow dividends from these businesses to be passed back to shareholders with minimal dividend leakage.

The sale of Burger King South Africa and Grand Foods Meat Plant was a significant milestone in the Group's strategy to unlock value and has resulted in an 88c special dividend, the largest dividend ever declared by the group. Management remain fully committed to unlocking further value through the controlled sale of assets. The focus over the next six months is to exit the Group's non-core assets. In parallel management are also investigating ways of unlocking value through an exit of the Gaming businesses. The recent recovery of these businesses bodes well for this process and we are confident that we will deliver on Group's objective of maximising shareholder value.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 31 December 2021

	Note	Unaudited six months ended 31 December 2021 R'000s	Unaudited six months ended 31 December 2020 R'000s Restated*	Audited 12 months ended 30 June 2021 R'000s Restated*
CONTINUING OPERATIONS				
Revenue	4	49 364	58 944	102 376
Cost of sales		(28 833)	(39 815)	(67 470)
Gross profit		20 531	19 129	34 906
Operating costs		(41 526)	(36 064)	(84 876)
Profit from operations		(20 995)	(16 935)	(49 970)
Profit from equity-accounted investments		50 752	33 599	73 252
Profit on sale of property		–	7 091	2 289
Profit from operations before impairment, depreciation and amortisation		29 757	23 755	25 571
Depreciation		(4 470)	(4 483)	(9 003)
Amortisation		(11)	(16)	(31)
Profit/(loss) before finance costs and taxation		25 276	19 256	16 537
Finance income		2 785	310	1 029
Finance costs		(10 956)	(11 169)	(20 815)
Profit/(loss) before taxation		17 105	8 397	(3 249)
Taxation		(599)	(652)	(2 637)
Profit/(loss) for the period from continuing operations		16 506	7 745	(5 886)
DISCONTINUED OPERATIONS				
Profit for the period from discontinued operations	5	965	(9 647)	(24 740)
Profit/(loss) for the Period		17 471	(1 902)	(30 626)
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss		26 188	(4 815)	19 092
Unrealised fair value adjustments on investments held at fair value through OCI, net of tax	9	26 188	(4 815)	19 092
Total comprehensive income/(loss) for the period		43 659	(6 717)	(11 534)
Profit/(loss) for the period from continuing operations attributable to:				
– Ordinary shareholders		16 506	7 745	(5 886)
– Non-controlling interest		–	–	–

	Note	Unaudited six months ended 31 December 2021 R'000s	Unaudited six months ended 31 December 2020 R'000s Restated*	Audited 12 months ended 30 June 2021 R'000s Restated*
Profit for the period from discontinued operations attributable to:				
– Ordinary shareholders		806	(9 043)	(23 108)
– Non-controlling interest		159	(604)	(1 632)
		17 471	(1 902)	(30 626)
Total comprehensive income/(loss) from continuing operations attributable to:				
– Ordinary shareholders		42 694	2 930	13 206
– Non-controlling interest		–	–	–
Total comprehensive income from discontinued operations attributable to:				
– Ordinary shareholders		806	(9 043)	(23 108)
– Non-controlling interest		159	(604)	(1 632)
		43 659	(6 717)	(11 534)
		Cents	Cents	Cents
Basic earnings/(loss) per share	3	4.03	(0.30)	(6.75)
Continuing operations	3	3.84	1.96	(0.99)
Discontinued operations	3	0.19	(2.26)	(5.76)
Diluted basic earnings/(loss) per share	3	4.03	(0.30)	(6.75)
Continuing operations	3	3.84	1.96	(0.99)
Discontinued operations	3	0.19	(2.26)	(5.76)

* Restated for discontinued operations disclosed separately.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

Note	Unaudited six months ended 31 December 2021 R'000s	Unaudited six months ended 31 December 2020 R'000s	Audited 12 months ended 30 June 2021 R'000s
ASSETS			
Non-current assets			
Investments in jointly controlled entities	629 775	622 175	638 160
Investments in associates	359 106	375 943	351 611
Investments held at fair value through OCI	188 807	138 712	162 619
Goodwill	7	55 104	55 104
Right-of-use asset	27 903	313 837	295 964
Investment properties	–	7 599	–
Property, plant and equipment	130 769	593 887	554 815
Intangible assets	30	18 339	20 703
Deferred tax assets	8 261	186 182	189 161
Assets classified as held-for-sale	6	25 050	25 050
Current assets	246 325	295 146	324 507
Inventory	34 373	59 907	53 934
Related party loans	3 790	22 466	22 473
Trade and other receivables	39 315	67 362	116 866
Cash and cash equivalents	119 277	142 792	127 232
Deferred proceeds	5	–	–
Income tax receivable	1 329	2 619	4 002
Total assets	1 616 026	2 631 974	2 617 694
EQUITY AND LIABILITIES			
Capital and reserves			
Total equity	1 356 300	1 713 441	1 710 243
Ordinary share capital	798 586	798 586	798 586
Treasury shares	(153 079)	(153 962)	(153 079)
Accumulated profit	796 793	1 204 631	1 176 897
Investments held at fair value reserve	(86 867)	(136 935)	(113 028)
Share based payment reserve	867	1 121	867
Non-controlling-interest	–	(33 584)	(34 612)
Total shareholders' equity	1 356 300	1 679 857	1 675 631
Non-current liabilities	77 117	637 019	521 919
Preference shares	–	183 954	131 711
Interest-bearing borrowings	35 868	50 345	10 304
Lease liability	36 314	389 336	365 886
Deferred tax liabilities	4 777	3 964	3 438
Provisions	158	9 420	10 580
Current liabilities	182 609	315 098	420 144
Preference shares	100 000	2 789	55 260
Interest-bearing borrowings	3 750	3 750	33 061
Lease liabilities	5 860	40 260	33 444
Trade and other payables	49 977	155 594	172 725
Provisions	1 080	14 121	12 996
Dividends payable	10 129	10 129	10 129
Income tax payable	65	186	190
Bank overdraft	11 748	88 269	102 339
Total equity and liabilities	1 616 026	2 631 974	2 617 694

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2021

	Ordinary share capital R'000s	Treasury shares R'000s	Accumulated profits R'000s	Financial asset fair value reserve R'000s	Share- based payment reserve R'000s	Non- controlling interest R'000s	Total equity R'000s
Balance at 30 June 2020	798 586	(153 962)	1 205 929	(132 120)	914	(32 980)	1 686 367
Total comprehensive loss for the year	–	–	(1 298)	(4 815)	–	(604)	(6 717)
– Profit for the year from continuing operations	–	–	7 745	–	–	–	7 745
– Loss for the year from discontinued operations	–	–	(9 043)	–	–	(604)	(9 647)
– 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
Total comprehensive income/(loss) for the year	–	–	(27 696)	23 907	–	(1 028)	(4 817)
– Loss for the year from continuing operations	–	–	(13 631)	–	–	–	(13 631)
– Loss for the year from discontinued operations	–	–	(14 065)	–	–	(1 028)	(15 093)
– Other comprehensive income	–	–	–	23 907	–	–	23 907
Treasury shares allocated to employees	–	883	(814)	–	(70)	–	(1)
Share-based payment expense	–	–	–	–	541	–	541
Share options lapsed	–	–	775	–	(725)	–	50
Balance at 30 June 2021	798 586	(153 079)	1 176 896	(113 028)	867	(34 612)	1 675 630
Total comprehensive income/(loss) for the year	–	–	17 471	26 161	–	–	43 632
– Profit for the year from continuing operations	–	–	16 506	–	–	–	16 506
– Profit for the year from discontinued operations	–	–	965	–	–	–	965
– Other comprehensive income	–	–	–	26 161	–	–	26 161
Dividends declared	–	–	(380 850)	–	–	–	(380 850)
– Increase in Burger King South Africa investment	–	–	(16 726)	–	–	–	–
– Derecognition of Burger King South Africa non-controlling interest	–	–	–	–	–	–	–
Balance at 31 December 2021	798 586	(153 079)	796 791	(86 867)	867	–	1 356 298

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2021

	Unaudited six months ended 31 December 2021 R'000s	Unaudited six months ended 31 December 2020 R'000s	Audited 12 months ended 30 June 2021 R'000s
Cash flows from operating activities			
Net cash generated from/(utilised in) operations	26 785	82 835	75 588
Income tax refund/(paid)	(254)	(3 608)	(3 846)
Finance income	2 399	698	3 794
Net cash inflow/(outflow) from operating activities	28 930	79 925	75 536
Cash flows from investing activities			
Acquisition of plant and equipment	(37 590)	(34 951)	(45 765)
Acquisition of intangibles	–	–	(4 470)
Disposal of discontinued operations net of cash disposed of	423 454	–	–
Proceeds from land and buildings	–	26 000	32 000
Dividends received	58 232	24 000	72 001
Net cash inflow from investing activities	444 096	15 049	53 766
Cash flows from financing activities			
Dividends paid	(380 850)	–	–
Bridge finance (RMB)	100 000	–	–
Redemption of Preference shares	(184 988)	(16 002)	(16 002)
Repayment of lease liability	(2 199)	(15 271)	(39 100)
Repayment of loans	(3 750)	(1 875)	(10 996)
Related party loans	1 000	–	–
Employee loans	17 856	–	–
Movement in overdraft	9 429	–	–
Finance costs	(37 479)	(28 246)	(59 254)
Net cash outflow from financing activities	(480 981)	(61 394)	(125 352)
Net increase in cash and cash equivalents	(7 955)	33 580	106 289
Reclassification of bank overdraft out of cash and cash equivalents ⁽¹⁾	–	–	102 339
Increase in cash and cash equivalents	(7 955)	33 580	3 950
Cash and cash equivalents at the beginning of the year	127 232	20 943	20 943
Total cash and cash equivalents at the end of the year	119 277	54 523	127 232
Total cash and cash equivalents at year end comprises of:	119 277	54 523	127 232
Cash and cash equivalents	119 277	142 792	127 232
Overdraft	–	(88 269)	–

⁽¹⁾ At the end of the 2021 financial year the Group classified the overdraft as funding and it is shown as a movement in cash and cash equivalents going forward as Management is of the view that the overdraft will remain in a overdraft position during the following year.

NOTES TO THE CONSOLIDATED ANNUAL FINANCIAL STATEMENTS

for the year ended 30 June 2021

1. Statement of compliance

The interim condensed consolidated financial statements for the six months ended 31 December 2021 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, and should be read in conjunction with the Group's annual consolidated financial statements as at 30 June 2021.

The condensed consolidated financial statements have not been reviewed or reported on by the Group's auditors.

2. Basis of preparation

The condensed consolidated interim financial statements are prepared on the 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 2021. The interim financial statements have been prepared under the supervision of the Chief Financial Officer, J October.

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. Basic and diluted earnings per share (continued)

	Unaudited 31 December 2021 R'000s Gross	Unaudited 31 December 2021 R'000s Net	Unaudited 31 December 2020 R'000s Gross	Unaudited 31 December 2020 R'000s Net	Audited 30 June 2021 R'000s Gross	Audited 30 June 2021 R'000s Net
3.1 Reconciliation of the profit/(loss) for the period						
Basic and diluted earnings per share reconciliation						
– Continuing operations		16 506		7 745		(5 886)
– Discontinued operations		965		(9 647)		(24 740)
Non-controlling interest		(159)		604		1 632
Profit for the year attributable to ordinary shareholders		17 312	–	(1 298)	–	(28 994)
3.2 Reconciliation of headline earnings for the period						
Profit for the year attributable to ordinary shareholders		17 312		(1 298)		(28 994)
Continuing operations						
Impairment of intangible assets	–	–	–	–	242	174
Profit on disposal of property, plant, equipment and intangibles	–	–	(7 091)	(5 106)	(2 289)	(752)
Adjustments by jointly-controlled entities	–	–	(42)	(30)	(324)	(233)
– Other	–	–	(42)	(30)	(324)	(233)
Discontinued operations						
Impairment of assets held for sale	174	125	3 388	2 221	4 315	2 776
Profit on sale of investments		3 058				
Headline earnings		20 495		(4 213)		(27 029)
Headline earnings for the period:						
– Continuing operations		16 506		2 609		(6 697)
– Discontinued operations		3 989		(6 822)		(20 332)
		20 495		(4 213)		(27 029)
3.3 Reconciliation of WANOS – net of treasury shares		000s		000s		000s
Shares in issue at beginning of the year		429 718		426 223		429 485
Shares issued to employees		4		–		17
		429 722		426 223		429 502
3.4 Reconciliation of diluted WANOS – net of treasury shares						
WANOS in issue – net of treasury shares		429 722		426 223		429 502
Effects of dilution from:						
– Share options		–		21		–
Diluted WANOS in issue – net of treasury shares		429 722		426 244		429 502

3. Basic and diluted earnings per share (continued)

	Unaudited 31 December 2021 R'000s Cents	Unaudited 31 December 2020 R'000s Cents	Audited 30 June 2021 R'000s Cents
3.5 Statistics			
Basic earnings/(loss) per share	4.03	(0.30)	(6.75)
– Continuing operations	3.84	1.96	(0.99)
– Discontinued operations	0.19	(2.26)	(5.76)
Diluted earnings/(loss) per share	4.03	(0.30)	(6.75)
– Continuing operations	3.84	1.96	(0.99)
– Discontinued operations	0.19	(2.26)	(5.76)
Headline earnings/(loss) per share	4.77	(0.99)	(6.29)
– Continuing operations	3.84	0.61	(1.56)
– Discontinued operations	0.93	(1.60)	(4.73)
Diluted headline earnings/(loss) per share	4.77	(0.99)	(6.29)
– Continuing operations	3.84	0.61	(1.56)
– Discontinued operations	0.93	(1.60)	(4.73)

4. Revenue

	Unaudited 31 December 2021 R'000s	Unaudited 31 December 2020 R'000s Restated*	Audited 30 June 2021 R'000s Restated*
Revenue from transactions with customers			
Equipment sales	41 006	57 459	89 931
	41 006	57 459	89 931
Other revenue			
Dividends received	6 589	–	–
Other income	238	657	11 624
Rental income	1 531	828	821
	8 358	1 485	12 445
Total revenue			
Revenue from contracts with customers	41 006	57 459	89 931
Other revenue	8 358	1 485	12 445
	49 364	58 944	102 376

* Restated for discontinued operations disclosed separately.

5. Discontinued Operations

The sale of the Group's investment in Burger King South Africa and Grand Foods Meat Plant was finalised during the period under review. The results of these entities are included for the months of July to October 2021 up until the sale was finalised on the 3rd of November 2021.

	Unaudited 31 December 2021 R'000s	Unaudited 31 December 2020 R'000s	Audited 30 June 2021 R'000s
5.1 Results of discontinued operations			
Revenue	577 768	786 145	1 570 619
Cost of Sales	(303 880)	(434 139)	(867 303)
Gross Profit	273 888	352 006	703 316
Operating costs	(220 317)	(293 326)	(592 622)
Profit/(loss) from operations	53 571	58 680	110 694
Expected credit losses	(254)	(1 216)	(742)
Impairment of property, plant, equipment, intangible assets and inventory	(191)	(3 388)	(4 497)
Profit/(loss) on sale of investments	(3 058)	–	–
Depreciation	(31 896)	(47 564)	(94 919)
Amortisation	(1 807)	(2 219)	(4 957)
Profit/(loss) before finance costs and taxation	16 365	4 293	5 579
Finance income	23	388	869
Finance costs	(13 046)	(19 159)	(38 570)
Profit/(loss) before taxation	3 342	(14 478)	(32 122)
Taxation	(2 377)	4 831	7 382
Profit/(loss) for the period	965	(9 647)	(24 740)
5.2 Cash flows utilised in discontinued operations			
Net cash generated in operating activity	46 486	72 048	98 828
Net cash utilised in investing activity	(37 334)	(36 842)	(52 126)
Net cash utilised in financing activity	(11 681)	(32 914)	(62 556)
Net cash flow for the year	(2 529)	2 292	(15 854)

The total proceeds for the sale of Burger King South Africa and Grand Foods Meat Plant amounted to R512.4 million, 5% of these proceeds were deferred for six months and the balance deferred for twenty four months. This amounted to R51.2 million of which R3.0 million was expensed as finance charges for November and December. Deferred proceeds of R48.2 million was recognised on the Consolidated Statement of Financial Position.

6. Non-current assets held for sale

As at 31 December 2021 management is currently in negotiations with interested parties to sell the building that was previously used by Grand Parade Bakery to produce the donuts for Dunkin Donuts.

	Unaudited 31 December 2021 R'000s	Unaudited 31 December 2020 R'000s	Audited 30 June 2021 R'000s
The assets and liabilities included in assets classified as held-for-sale are as follows:			
Assets			
Non-current assets			
Land and buildings	19 100	19 100	19 100
Property, plant and equipment	5 950	5 950	5 950
	25 050	25 050	25 050
6.1 Reconciliation of land and buildings			
Opening balance ⁽¹⁾	19 100	38 009	38 009
Sale of land and buildings	–	(18 909)	(18 909)
Closing balance	19 100	19 100	19 100
6.2 Reconciliation of property, plant and equipment			
Opening balance	5 950	5 950	5 950
Closing balance	5 950	5 950	5 950

(1) The opening balance at 1 July 2021 consisted of the building that was previously used by Grand Bakery to produce the doughnuts for Dunkin Donuts. The sale of the Bakery building has to date not yet been concluded, despite various interested parties and negotiations. 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 the shareholders. Management expects the sale to be concluded within 12 months of 31 December 2021. The building is carried at fair value, as determined by an independent valuer.

7. Impairment of Goodwill

7.1 Reconciliation of goodwill

	Grand Foods Meat Plant R'000s	Mac Brothers R'000s	Disa Road R'000s	Total R'000s
31 December 2021				
Cost	53 910	–	1 194	55 104
Accumulated impairment	–	–	–	–
Disposal of investment in Burger King South Africa and Grand Foods Meat Plant	(53 910)		(1 194)	
Carrying value at 1 July 2021	–	–	–	–
Impairment of Goodwill	–	–	–	–
Carrying value at 31 December 2021	–	–	–	–
Made up of:				
Cost	53 910	–	–	53 910
Accumulated impairment	–	–	–	–
30 June 2021				
Cost	53 910	38 598	1 194	93 702
Accumulated impairment	–	(38 598)	–	(38 598)
Carrying value at 1 January 2021	53 910	–	1 194	55 104
Impairment of Goodwill	–	–	–	–
Carrying value at 30 June 2021	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 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)

The Group has performed bi-annual impairment testing of all underlying cash generating units ("CGU"). The Goodwill relating to MacBrothers was fully impaired as at 30 June 2020 and therefore no further impairment relating to this has been raised on this CGU.

8. 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⁾			EBITDA ⁽²⁾			Net profit/(loss) after tax			Total Assets			Total Liabilities		
	Unaudited 31 Dec 2021 R000's	Unaudited 31 Dec 2020 R000's	Audited 30 Jun 2021 R000's	Unaudited 31 Dec 2021 R000's	Unaudited 31 Dec 2020 R000's	Audited 30 Jun 2021 R000's	Unaudited 31 Dec 2021 R000's	Unaudited 31 Dec 2020 R000's	Audited 30 Jun 2021 R000's	Unaudited 31 Dec 2021 R000's	Unaudited 31 Dec 2020 R000's	Audited 30 Jun 2021 R000's	Unaudited 31 Dec 2021 R000's	Unaudited 31 Dec 2020 R000's	Audited 30 Jun 2021 R000's	Unaudited 31 Dec 2021 R000's	Unaudited 31 Dec 2020 R000's	Audited 30 Jun 2021 R000's
Food	625 363	844 432	1 674 817	9 493	11 124	11 124	52 559	59 169	99 779	(3 146)	(15 718)	(47 823)	–	1 380 876	1 313 050	(96 636)	(759 112)	(670 598)
Burger King	504 298	685 117	1 366 630	–	–	–	52 219	61 727	116 300	3 769	(6 424)	(17 762)	–	1 053 510	994 442	–	(605 537)	(559 147)
Mac Brothers	41 006	58 287	101 365	2 523	11 124	11 124	(7 119)	529	(10 341)	(13 728)	(6 032)	(23 497)	99 548	113 575	89 539	(93 661)	(113 106)	(76 257)
Spur	6 589	–	–	–	–	–	6 551	(39)	(73)	6 559	(39)	(73)	195 491	138 832	162 709	(340)	(199)	(254)
Grand Food Meat Plant	73 470	101 028	203 989	6 970	–	–	908	(3 048)	(6 107)	254	(3 223)	(6 491)	–	64 152	55 553	–	(37 635)	(32 305)
Dunkin Donuts	–	–	–	–	–	–	–	–	–	–	–	–	4 379	4 379	4 379	(1 501)	(1 501)	(1 501)
Baskin Robbins	–	–	–	–	–	–	–	–	–	–	–	–	474	474	474	(537)	(537)	(537)
Bakery	–	–	–	–	–	–	–	–	–	–	–	–	5 954	5 954	5 954	(597)	(597)	(597)
Gaming and leisure	–	–	–	–	–	–	50 752	33 599	73 253	50 619	33 599	73 253	987 280	998 119	989 771	–	–	–
SunWest	–	–	–	–	–	–	14 265	9 264	25 250	14 132	9 264	25 250	629 775	622 175	638 160	–	–	–
Sun Slots	–	–	–	–	–	–	34 341	23 283	45 157	34 341	23 283	45 157	332 593	351 378	325 252	–	–	–
Worcester Casino	–	–	–	–	–	–	2 146	1 083	1 276	2 146	1 083	1 276	24 912	24 566	24 758	–	–	–
Infinity Gaming Africa	–	–	–	–	–	–	–	(31)	1 570	–	(31)	1 570	–	–	1 601	–	–	–
Group costs	1 769	657	1 011	506 908	15 253	39 155	(20 427)	(17 426)	(42 911)	(26 950)	(19 783)	(56 055)	628 746	252 979	314 873	(163 000)	(193 005)	(271 465)
GPI Properties	1 769	657	821	5 863	9 539	15 713	2 047	3 028	5 464	(485)	6 426	6 914	151 968	175 284	158 105	(68 871)	(69 247)	(64 101)
Central costs	–	–	190	501 045	5 714	23 442	(22 474)	(20 454)	(48 375)	(26 465)	(26 209)	(62 969)	175 785	77 695	156 768	(97 219)	(123 758)	(207 364)
	627 132	845 089	1 672 995	516 401	26 377	50 279	82 884	75 342	130 121	20 523	(1 902)	(30 625)	1 616 026	2 631 974	2 617 694	(259 726)	(952 117)	(942 063)

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 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'000s	Level 2 R'000s	Level 3 R'000s	Total R'000s
31 December 2021				
Investments at fair value through OCI – Spur (i)	188 807	–	–	188 807
30 June 2021				
Investments at fair value through OCI – Spur (i)	162 619	–	–	162 619
Investments at fair value through OCI – Atlas Gaming	–	–	–	–
Total	162 619	–	–	162 619
31 December 2020				
Investments at fair value through OCI – Spur (i)	138 712	–	–	138 712
Total	138 712	–	–	138 712

The Group ceded a portion of its investment in Spur to Standard Bank due to avoid a breach in covenant of the preference shares.

GRAND PARADE INVESTMENTS LIMITED COMPANY INFORMATION

Directors	A Abercrombie <i>(Non-executive Chairman)</i> M Tajbhai <i>(Chief Executive Officer)</i> J October <i>(Chief Financial Officer)</i> WD Geach <i>(Lead independent)</i> MJ Bowman <i>(Non-executive Director)</i> R van Dijk <i>(Non-executive Director)</i> M Nkosi <i>(Non-executive Director)</i> R Kader <i>(Non-executive Director)</i>
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 condensed unaudited financial statements were prepared under supervision of Grand Parade Investments' (GPI) Group Chief Financial Officer, J October CA(SA).
Company Secretary	Statucor Proprietary Limited 6th Floor 119-123 Hertzog Boulevard Foreshore Cape Town 8001
Transfer Secretaries	Computershare Investor Services Proprietary Limited PO Box X3000 Saxonwold 2132
Sponsors	PSG Capital Proprietary Limited PO Box 7403 Stellenbosch 7600
Auditors	Ernst & Young Inc. PO Box 656 Cape Town 8000
Attorneys	Cliffe Dekker Hofmeyr PO Box 695 Cape Town 8000
Bankers	The Standard Bank of South Africa Limited Nedbank Limited