



GRAND PARADE

INVESTMENTS LIMITED

CONDENSED UNAUDITED
INTERIM FINANCIAL
STATEMENTS
FOR THE PERIOD ENDED
31 DECEMBER 2022



CONTENTS

2	Salient Features
3	Commentary
CONSOLIDATED FINANCIAL STATEMENTS	
6	Consolidated Statement of Profit or Loss and Other Comprehensive Income
7	Consolidated Statement of Financial Position
8	Consolidated Statement of Changes in Equity
9	Consolidated Statement of Cash Flows
10	Notes to the Condensed Unaudited Interim Results
16	Company Information

SALIENT FEATURES

Revenue from continuing operations has decreased by 55% from R8.4 million to R3.8 million.

Group Central Costs decreased by 10% from R14.7 million to R13.2 million excluding legal and transaction fees.

Net Profit After Tax (NPAT) increased by R25.2 million from R17.5 million to R42.7 million.

Paid 12 cents dividend amounting to R56.4 million.

EPS – increased by 5.9c from 4.0c to 9.9c.

HEPS – increased by 5.1c from 4.8c to 9.9c.

COMMENTARY

INTRODUCTION

GPI continued its strong performance over the six months following the 2022 year-end results. The performance was driven primarily by the continued improvement of the hospitality sector and the associated performance of the Group's gaming investments coupled with a reduction in corporate head office costs over the period. The Group reported a R25.2 million (144%) increase in Net Profit After Tax which improved from R17.5 million in the prior period to R42.7 million in the current period. Basic earnings and headline earnings per share for the period amounted to 9.9 cents per share which equates to an increase of 5.9 cents and 5.1 cents respectively compared to the prior period.

EBITDA for the period improved from R37.0 million to R44.2 million.

In 2019, GPI embarked on a strategy to unlock value which included, *inter alia*, exiting non-performing investments, reduction in head office costs and a reduction in debt. These initiatives have put the Group in a strong financial position with relatively low debt levels and positive cash balances. The Group reduced debt over the six months following the 2022 year end results by a further R38.5 million, from R135.9 million to R97.4 million. Cash and cash equivalents as at the end of December 2022 amounted to R124.8 million, placing the Group in a positive net cash position.

During the current period, a dividend of 12c per share was declared and paid to shareholders amounting to an aggregate amount of R56.4 million.

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.

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

	Unaudited 31 December 2022 R000's	Unaudited 31 December 2021 R000's	Movement R000's	
Food	–	6 559	(6 559)	(100%)
Spur	–	6 559	(6 559)	(100%)
Gaming & Leisure	63 123	50 752	12 371	24%
SunWest	32 344	14 265	18 079	127%
Sun Slots	30 181	34 341	(4 160)	(12%)
Worcester Casino	300	2 146	(1 846)	(86%)
Infinity Gaming Africa	298	–	298	100%
Group Central costs	(20 701)	(27 238)	6 537	24%
Corporate Costs net of finance charges	(13 160)	(14 738)	1 578	11%
Transaction costs and legal fees	(5 700)	(8 071)	2 371	29%
Net finance cost	436	(3 944)	4 380	111%
GPI Properties	(2 277)	(485)	(1 792)	(369%)
Headline earnings – Continuing operations	42 422	30 073	12 349	41%
Discontinued operations	–	(9 578)	9 578	100%
Burger King	–	3 896	(3 896)	(100%)
Grand Food Meat Plant	–	254	(254)	(100%)
Mac Brothers	–	(13 728)	13 728	100%
Headline earnings	42 422	20 495	21 927	107%

DIVIDENDS

A dividend of 12 cents per share was declared and paid relating to the 2022 financial year. The aforesaid dividend was paid on the 5th of December 2022 and amounted to an aggregate amount of R56.4 million.

CAPITAL STRUCTURE

During the current period the Group redeemed 1,500 preference shares which reduced the preference share debt by R15.0 million, from R100.0 million to R85.0 million, resulting in a decrease in gearing levels from 11.9% to 8.6%.

		31 December 2022 R'000s	31 December 2021 R'000s	30 June 2022 R'000s
HOLDING COMPANY FACILITIES				
Security	Type of Facility			
SunWest and Sun Slots	Preference Shares	85 000	–	100 000
SunWest and Sun Slots	Bridge Finance	–	100 000	–
SUBSIDIARIES FACILITIES				
Subsidiary	Type of Facility			
GPI Properties	Term Loans	12 400	39 618	35 868
Mac Brothers	Finance Lease	–	114	–
TOTAL DEBT		97 400	139 732	135 868
DEBT/EQUITY RATIO		8.6%	10.3%	11.9%
DEBT/EBITDA		2.22	3.84	2.21

REVIEW OF INVESTMENT OPERATIONS

GAMING

SUNWEST

Revenue for the current period increased by 71% from R665.3 million for the 6 months ended 31 December 2021 to R1 137.5 million. EBITDA increased by 145% from R153.7 million in the prior period to R377.0 million for the period under review. NPAT increased by R122.2 million to R216.7 million for the current period (2021: R94.5 million).

Total dividends of R160 million was paid for the period of which the Group's portion amounted to R24.1 million (2021: Dividends of R150 million was paid of which the Group's portion amounted to R22.7 million).

SUN SLOTS

For the 6 months ended 31 December 2022 Sun Slots revenue increased by 13% from R683.7 million for the prior period to R775.8 million for the current period. EBITDA decreased by 6.4% from R209.4 million in the prior period to R195.9 million for the period under review. Sun Slots NPAT decreased by 11% from R114.4 million in the prior period to R101.8 million in the 6 months to December 2022.

During the prior period Sun Slots received a business interruption claim which amounted to R50.0 million. The Group's portion was R15.0 million which is the reason that EBITDA and NPAT decreased compared to the prior year.

Sun Slots generated net cash of R167.8 million from operations for the six months ended 31 December 2022.

Total dividends of R120 million was paid for the period of which the Group's portion amounted to R36 million (2021: Dividends of R150 million was paid of which the Group's portion amounted to R45 million).

WORCESTER

Worcester Casino's revenue increased by 23% from R55.9 million in the prior period to R68.9 million for the period under review. EBITDA increased by 6% from R8.0 million to R8.5 million in the current period.

Net profit after tax decreased by R12.3 million from R14.2 million in the prior period to R1.9 million for the period under review.

Total dividends of R4.5 million was paid for the period of which the Group's portion amounted to R0.7 million (2021: Dividends of R13.2 million was paid of which the Group's portion amounted to R1.9 million).

OTHER

CENTRAL COSTS

The Group's net central costs excluding legal and transaction costs for the period amounted to R13.2 million, which decreased by 10% compared with the prior period. The decrease in central costs was achieved through the restructure of the company's operations and various cost saving initiatives implemented during the period under review.

SHARE CAPITAL

No shares were issued or bought back during the period.

TREASURY SHARES

As at 31 December 2022, a total of 39.7 million (2021: 40.1 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 0.92 million (2021: 1.34 million) treasury shares, GPI Management Services holding 24 million (2021: 24 million) shares and the GPI Women's B-BBEE Empowerment Trust holding 14.82 million (2021: 14.82 million) treasury shares.

PREFERENCE SHARES

During the current year, the Group redeemed R15.0 million (2021: R184.9 million) worth of preference shares.

DIRECTORS AND COMPANY SECRETARY

M Nkosi retired by rotation on 29 November 2022 and did not offer himself up for re-election. There has been no other changes to the directorate or company secretariat during the period under review.

Particulars of the current Directors and Company Secretary are provided on page 16.

GOING CONCERN

These 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.

There is no pending or threatened legal or arbitration proceedings 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 reported at 30 June 2022. Related party balances for the period ended consist of the amounts receivable from Infinity Gaming Africa (R2.3 million) and Mac Brothers Catering Equipment (R4.1 million).

SUBSEQUENT EVENTS

On 5 October 2022, the company concluded a number of agreements regarding the acquisition and disposal of certain rental enterprises, in relation to the settlement of the dispute with Gumboot Investments Proprietary Limited. All conditions precedent were met and the transaction was implemented on 7 February 2023. The R22.5 million deposit shown under current assets relates to the purchase and reselling of the Mac Brothers Catering Equipment buildings. The buildings were bought for R66.5 million and simultaneously sold for R44.0 million. GPI provided a deposit for the shortfall between the sale and on sale amount of R22.5 million rather than providing a guarantee for the full purchase price of R66.5 million.

THE WAY FORWARD

Over the past four years GPI has successfully implemented its value unlock programme. In 2019, the Group traded at a 30% discount to NAV which has steadily improved following the implementation of the strategy and now trades at a 27% premium to NAV. The Group has successfully reduced debt, exited most of its non-performing and non-core assets and has effectively reverted back to its gaming roots. The Group has also resumed dividend payments to shareholders after a prolonged period of not paying dividends. GPI retains its interest in the best performing gaming assets in South Africa and has substantially reduced the head office costs which will allow consistent dividend flow to shareholders in the future.

GPI shareholders have also received a mandatory offer from GMB to purchase all the issued shares of GPI. The offer by GMB of R3.33 per share is a 27% premium to NAV and has been determined to be fair and reasonable by both the appointed independent expert and the independent board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Unaudited 6 months ended 31 December 2022 R'000s	Unaudited 6 months ended 31 December 2021 R'000s Restated*	Audited 12 months ended 30 June 2022 R'000s
CONTINUING OPERATIONS				
Revenue	4	3 843	8 357	17 527
Operating costs		(23 268)	(22 809)	(92 020)
Profit from equity-accounted investments		63 123	50 752	107 905
Expected credit loss		–	–	(50 820)
Finance income		4 439	2 785	4 297
Finance costs		(4 832)	(8 132)	(11 663)
Profit/(loss) before taxation		43 305	30 953	(24 774)
Taxation		(599)	(719)	(576)
Profit/(loss) for the period from continuing operations		42 706	30 234	(25 350)
DISCONTINUED OPERATIONS				
(Loss)/profit for the period from discontinued operations	5	–	(12 763)	13 773
Profit/(loss) for the period		42 706	17 471	(11 577)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Realised fair value adjustment on investments held at fair value through OCI		–	–	2 242
Unrealised fair value adjustments on investments held at fair value through OCI		1 037	26 188	930
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		43 743	43 659	(8 405)
Profit/(loss) for the period from continuing operations attributable to:				
– Ordinary shareholders		42 706	30 234	(25 350)
Profit/(loss) for the period from discontinued operations attributable to:				
– Ordinary shareholders		–	(12 922)	13 614
– Non-controlling interest		–	159	159
		42 706	17 471	(11 577)
Total comprehensive income/(loss) from continuing operations attributable to:				
– Ordinary shareholders		43 743	56 422	(22 178)
Total comprehensive income from discontinued operations attributable to:				
– Ordinary shareholders		–	(12 922)	13 614
– Non-controlling interest		–	159	159
		43 743	43 659	(8 405)
		Cents	Cents	Cents
Basic earnings/(loss) per share	3	9.93	4.03	(2.73)
Continuing operations	3	9.93	3.84	(5.90)
Discontinued operations	3	–	0.19	3.17
Diluted earnings/(loss) per share	3	9.93	4.03	(2.73)
Continuing operations	3	9.93	3.84	(5.90)
Discontinued operations	3	–	0.19	3.17

* The prior year comparatives have been restated to separately reflect the results of discontinued operations and to reflect the Statement of Profit or Loss and Other Comprehensive Income by function. (refer to note 5)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Unaudited 6 months ended 31 December 2022 R'000s	Unaudited 6 months ended 31 December 2021 R'000s	Audited 12 months ended 30 June 2022 R'000s
ASSETS				
Non-current assets				
		1 073 836	1 344 651	1 075 652
Investments in jointly controlled entities		635 268	629 775	624 485
Investments in associates		341 293	359 106	341 536
Investments held at fair value through OCI	8	15 732	188 807	14 695
Right-of-use asset		–	27 903	–
Investment properties		76 500	–	76 500
Property, plant and equipment		919	130 769	1 415
Intangible assets		12	30	12
Deferred tax assets		4 112	8 261	3 052
Deferred proceeds		–	–	13 957
Assets classified as held-for-sale	6	25 050	25 050	44 650
Current assets		171 584	246 325	198 537
Inventory		305	34 373	305
Related party loans		6 413	3 790	6 032
Trade and other receivables		1 741	39 315	3 959
Deposit paid		22 500	–	–
Cash and cash equivalents		124 764	119 277	186 912
Deferred proceeds		14 532	48 241	–
Income tax receivable		1 329	1 329	1 329
Total assets		1 270 470	1 616 026	1 318 839
EQUITY AND LIABILITIES				
Capital and reserves				
Total equity		1 133 010	1 356 299	1 140 901
Ordinary share capital		798 586	798 586	798 586
Treasury shares		(152 462)	(153 079)	(152 790)
Accumulated profit		493 742	796 792	502 921
Investments held at fair value reserve		(7 601)	(86 867)	(8 638)
Share-based payment reserve		745	867	822
Total shareholders' equity		1 133 010	1 356 299	1 140 901
Non-current liabilities		88 361	77 117	102 303
Preference shares		85 000	–	100 000
Interest-bearing borrowings		–	35 868	–
Lease liability		–	36 314	–
Deferred tax liabilities		3 275	4 777	2 183
Provisions		86	158	120
Current liabilities		49 099	182 610	75 635
Preference shares		–	100 000	–
Interest-bearing borrowings		12 413	3 750	35 868
Lease liabilities		–	5 860	–
Trade and other payables		1 340	49 978	5 708
Provisions		132	1 080	316
Dividends payable		22 741	10 129	21 267
Dividends tax payable		12 362	–	12 362
Income tax payable		111	65	114
Bank overdraft		–	11 748	–
Total equity and liabilities		1 270 470	1 616 026	1 318 839

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Ordinary share capital R'000s	Treasury shares R'000s	Accumulated profits R'000s	Investments held at fair value reserve R'000s	Share-based payment reserve R'000s	Non-controlling interest R'000s	Total equity R'000s
Balance at 30 June 2021	798 586	(153 079)	1 176 896	(113 028)	867	(34 612)	1 675 630
Total comprehensive profit for the period	–	–	17 471	26 161	–	–	43 632
– Profit for the period from continuing operations	–	–	30 234	–	–	–	30 234
– Loss for the period from discontinued operations	–	–	(12 763)	–	–	–	(12 763)
– Other comprehensive income	–	–	–	26 161	–	–	26 161
Ordinary dividend paid	–	–	(380 850)	–	–	–	(380 850)
– Increase in BKSA investment	–	–	(16 725)	–	–	16 725	–
– Derecognition of Burger King South Africa	–	–	–	–	–	–	–
Non-controlling interest	–	–	–	–	–	17 887	17 887
Balance at 31 December 2021	798 586	(153 079)	796 792	(86 867)	867	–	1 356 299
Total comprehensive loss for the period	–	–	(29 047)	(22 989)	–	–	(52 036)
– Loss for the period from continuing operations	–	–	(55 583)	–	–	–	(55 583)
– Profit for the period from discontinued operations	–	–	26 536	–	–	–	26 536
– Other comprehensive loss	–	–	–	(22 989)	–	–	(22 989)
Realised fair value adjustments on investments held at fair value through OCI	–	–	(101 218)	101 218	–	–	–
Treasury shares allocated to employees	–	289	(244)	–	(45)	–	–
Dividend in specie	–	–	(163 362)	–	–	–	(163 362)
Balance at 30 June 2022	798 586	(152 790)	502 921	(8 638)	822	–	1 140 901
Total comprehensive income for the period	–	–	42 706	1 037	–	–	43 743
– Profit for the period from continuing operations	–	–	42 706	–	–	–	42 706
– Other comprehensive income	–	–	–	1 037	–	–	1 037
Treasury shares allocated to employees	–	328	(251)	–	(77)	–	–
Ordinary dividend paid	–	–	(51 634)	–	–	–	(51 634)
Balance at 31 December 2022	798 586	(152 462)	493 742	(7 601)	745	–	1 133 010

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Unaudited 6 months ended 31 December 2022 R'000s	Unaudited 6 months ended 31 December 2021 Restated* R'000s	Audited 12 months ended 30 June 2022 R'000s
Cash flows from operating activities			
Net cash utilised by operations	(49 815)	(19 957)	(16 175)
Income tax paid	(563)	(254)	(262)
Finance income received	4 015	2 399	4 297
Cash inflow from discontinued operations	–	46 486	73 082
Net cash (outflow)/inflow from operating activities	(46 363)	28 674	60 942
Cash flows from investing activities			
Proceeds from disposal of investment property	20 000	–	–
Dividends received	61 311	58 232	142 384
Proceeds from sale of BKSA and GFMP investments	–	423 454	477 393
Cash outflow from discontinued operations	–	(37 334)	(37 123)
Net cash inflow from investing activities	81 311	444 352	582 654
Cash flows from financing activities			
Dividends paid	(51 634)	(380 850)	(369 912)
Employee loans	–	17 856	17 683
Preference shares redemption	(15 000)	(184 988)	(184 988)
Preference share issued	–	–	100 000
Bridging facility raised	–	100 000	100 000
Bridging facility repaid	–	–	(100 000)
Repayment of interest bearing borrowings	(23 750)	(3 750)	(7 500)
Repayment of lease liability	–	(2 199)	–
Related party loans	(1 880)	1 000	2 500
Finance costs	(4 832)	(25 798)	(11 663)
Movement in overdraft	–	9 429	–
Cash outflow from discontinued operations	–	(11 681)	(130 036)
Net cash outflow from financing activities	(97 096)	(480 981)	(583 916)
Net (decrease)/increase in cash and cash equivalents	(62 148)	(7 955)	59 680
Cash and cash equivalents at the beginning of the year	186 912	127 232	127 232
Total cash and cash equivalents at the end of the year	124 764	119 277	186 912

¹ The prior year comparative has been restated for the separate disclosure of discontinued operations. Refer to note 5

NOTES TO THE CONDENSED UNAUDITED INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1. STATEMENT OF COMPLIANCE

The interim condensed consolidated financial statements for the six months ended 31 December 2022 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 2022.

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

2. BASIS OF PREPARATION

The interim condensed consolidated financial statements are prepared on the going-concern basis. The accounting policies applied in the preparation of the interim condensed consolidated financial statements are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements for the year ended 30 June 2022. The interim condensed consolidated 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.

	Unaudited 31 December 2022 R'000s Gross	Unaudited 31 December 2021 R'000s Gross	Audited 30 June 2022 R'000s Gross
3.1 Reconciliation of the profit/(loss) for the period			
Basic and diluted earnings per share reconciliation			
– Continuing operations	42 706	30 234	(25 350)
– Discontinued operations	–	(12 922)	13 773
Non-controlling interest	–	159	(159)
Profit for the year attributable to ordinary shareholders	42 706	17 471	(11 736)
3.2 Reconciliation of headline earnings for the period			
Profit for the year attributable to ordinary shareholders	42 706	17 471	(11 736)
Continuing operations			
Impairment of property, plant, equipment	–	–	13 715
Impairment of associates	–	–	13 281
Profit on sale at Grand Foods Meat Plant building	(400)		

3. BASIC AND DILUTED EARNINGS PER SHARE (CONTINUED)

	Unaudited 31 December 2022 R'000s Gross	Unaudited 31 December 2021 R'000s Gross	Audited 30 June 2022 R'000s Gross
Discontinued operations			
Impairment of assets held for sale	–	174	–
Profit on sale of investments	–	3 058	–
Profit on derecognition of subsidiary	–	–	(68 196)
Impairment of property, plant and equipment	–	–	4 418
Profit on disposal of investments in BKSA and GFMP	–	–	34 769
Tax effects of headline earnings adjustments	112	(49)	
Headline earnings	42 418	20 654	(13 749)
Headline earnings for the period:			
– Continuing operations	42 418	30 234	1 646
– Discontinued operations	–	(9 580)	(15 395)
	42 418	20 654	(13 749)
3.3 Reconciliation of WANOS – net of treasury shares	000s	000s	000s
Shares in issue at beginning of the year	429 722	429 718	429 718
Shares issued to employees	–	4	259
	429 722	429 722	429 977
3.4 Reconciliation of diluted WANOS – net of treasury shares	000s	000s	000s
WANOS in issue – net of treasury shares	429 977	429 722	429 977
Diluted WANOS in issue – net of treasury shares	429 977	429 722	429 977
3.5 Statistics	Cents	Cents	Cents
Basic (loss)/earnings per share	9.93	4.03	(2.73)
– Continuing operations	9.93	3.84	(5.90)
– Discontinued operations	–	0.19	3.17
Diluted (loss)/earnings per share	9.93	4.03	(2.73)
– Continuing operations	9.93	3.84	(5.90)
– Discontinued operations	–	0.19	3.17
Headline (loss)/earnings per share	9.87	4.81	(3.20)
– Continuing operations	9.87	7.04	0.38
– Discontinued operations	–	(2.23)	(3.58)
Diluted headline (loss)/earnings per share	9.87	4.81	(3.20)
– Continuing operations	9.87	7.04	0.38
– Discontinued operations	–	(2.23)	(3.58)

4. REVENUE

	Unaudited 31 December 2022 R'000s	Unaudited 31 December 2021 R'000s	Audited 30 June 2022 R'000s
Other revenue			
Dividends received	–	6 588	10 729
Rental income	3 843	1 769	6 543
Miscellaneous rental income	–	–	255
	3 843	8 357	17 527
Total revenue			
Other revenue	3 843	8 357	17 527
	3 843	8 357	17 527

5. DISCONTINUED OPERATIONS AND PRIOR PERIOD RESTATEMENT

The sale of the Group's investment in Burger King South Africa and Grand Foods Meat Plant was finalised during the period ended 30 June 2022. The results of these entities are included for the months of July to October 2021 up until the sale was finalised on the 2 November 2021. The results of Macbrothers Catering Equipment is disclosed under the comparative periods for discontinued operations. The company was placed under voluntary liquidation on 4 April 2022. The restatement of Macbrothers Catering Equipment has the following effect on the Statement of Profit or Loss and other Comprehensive Income from continuing operations by decreasing the revenue, cost of sales, operating costs and finance costs by R41.0 million, R28.8 million, R23.2 million and R2.8 million respectively. The effect on the Statement of Cash Flows is an increase in cash utilised by operations of R3.9 million and increase in cash used in investing activities of R0.2 million and an increase in cash used in financing activities of R5.0 million.

	Unaudited 31 December 2022 R'000s	Unaudited 31 December 2021 R'000s	Audited 30 June 2022 R'000s
5.1 Results of discontinued operations			
Revenue	–	618 774	652 994
Cost of Sales	–	(332 713)	(367 351)
Gross profit	–	286 061	285 643
Operating costs	–	(239 608)	(281 351)
Profit/(Loss) from operations	–	46 453	4 292
Expected credit losses	–	(254)	(239)
Profit on derecognition of subsidiary	–	–	68 196
Impairment of property, plant, equipment, intangible assets and inventory	–	(191)	–
Loss on sale of investments	–	(3 058)	(34 769)
Depreciation	–	(35 802)	–
Amortisation	–	(1 807)	–
Profit before finance costs and taxation	–	5 341	37 480
Finance income	–	23	–
Finance costs	–	(15 870)	(18 158)
(Loss)/Profit before taxation	–	(10 506)	19 322
Taxation	–	(2 257)	(5 549)
(Loss)Profit for the period	–	(12 763)	13 773
5.2 Cash flows used in discontinued operations			
Net cash generated by operating activity	–	46 486	73 082
Net cash used in investing activity	–	(37 334)	(37 123)
Net cash used in financing activity	–	(11 681)	(130 036)
Net cash flow for the period	–	(2 529)	(94 077)

5. DISCONTINUED OPERATIONS (CONTINUED)

During the current year the Statement of Profit or Loss and Other Comprehensive income was restated to bring it in line with a Statement of Profit or Loss and Other Comprehensive income by function as this was previously erroneously shown as a blend of function and nature.

As a result of this restatement depreciation and amortisation relating to the prior period amounting to R0.6 million was reclassified under operating costs.

6. NON-CURRENT ASSETS HELD FOR SALE

	Unaudited 31 December 2022 R'000s	Unaudited 31 December 2021 R'000s	Audited 30 June 2022 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	38 700
Property, plant and equipment	5 950	5 950	5 950
	25 050	25 050	44 650
6.1 Reconciliation of land and buildings			
Opening balance ⁽¹⁾	38 700	19 100	19 100
Transfers from property, plant and equipment ⁽¹⁾	–	–	19 600
Sale of land and buildings ⁽¹⁾	(19 600)	–	–
Closing balance	19 100	19 100	38 700
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 2022 consisted of the building that was previously used by Grand Bakery to produce the doughnuts for Dunkin Donuts as well as the building used by Grand Foods Meat Plant for the manufacture of the burger patties for Burger King South Africa. The sale of the Bakery building has to date not yet been concluded, despite various interested parties and negotiations, however the building used by Grand Foods Meat Plant was sold during August 2022. Management remains committed to selling the bakery 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 2022. The building is carried at fair value, as determined by an independent valuer.

7. 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⁾		
	Unaudited 31 December 2022 R000's	Unaudited 31 December 2021 R000's	Audited 30 June 2022 R000's	Unaudited 31 December 2022 R000's	Unaudited 31 December 2021 R000's	Audited 30 June 2022 R000's
Food	–	6 588	10 729	–	–	–
Spur	–	6 588	10 729	–	–	–
Gaming and leisure	–	–	–	–	–	–
SunWest	–	–	–	–	–	–
Sun Slots	–	–	–	–	–	–
Worcester Casino	–	–	–	–	–	–
Infinity Gaming Africa	–	–	–	–	–	–
Group costs	3 843	1 769	6 798	2 330	506 908	1 136 241
GPI Properties	3 843	1 769	6 798	1 194	5 863	7 989
Central costs	–	–	–	1 136	501 045	1 128 252
Continuing operations	3 843	8 357	17 527	2 330	506 908	1 136 241

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

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

8. 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 2022				
Investments held at fair value – Spur ⁽¹⁾	15 732	–	–	15 732
	15 732	–	–	15 732
30 June 2022				
Investments held at fair value – Spur ⁽¹⁾	14 695	–	–	14 695
Total	14 695	–	–	14 695
31 December 2021				
Investments held at fair value – Spur ⁽¹⁾	188 807	–	–	188 807
Total	188 807	–	–	188 807

⁽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.

	EBITDA ⁽²⁾			Net profit/(loss) after tax			Total Assets			Total Liabilities		
	Unaudited 31 December 2022 R000's	Unaudited 31 December 2021 R000's	Audited 30 June 2022 R000's	Unaudited 31 December 2022 R000's	Unaudited 31 December 2021 R000's	Audited 30 June 2022 R000's	Unaudited 31 December 2022 R000's	Unaudited 31 December 2021 R000's	Audited 30 June 2022 R000's	Unaudited 31 December 2022 R000's	Unaudited 31 December 2021 R000's	Audited 30 June 2022 R000's
	(393)	6 551	9 265	(393)	6 559	9 280	–	195 491	–	–	–	–
	(393)	6 551	9 265	(393)	6 559	9 280	–	195 491	–	–	–	–
	63 123	50 752	107 905	63 123	50 619	107 905	976 562	987 280	966 020	–	–	–
	32 344	14 265	39 175	32 344	14 132	39 175	635 268	629 775	624 485	–	–	–
	30 181	34 341	65 831	30 181	34 341	65 831	316 104	332 593	316 083	–	–	–
	300	2 146	2 248	300	2 146	2 248	22 640	24 912	23 200	–	–	–
	298	–	651	298	–	651	2 550	–	2 252	–	–	–
	(18 530)	(20 427)	(55 710)	(20 024)	(26 944)	(142 535)	293 908	327 753	352 819	(137 460)	(166 090)	(177 759)
	(689)	2 047	(3 125)	(1 995)	(485)	(21 748)	89 461	151 968	131 187	(37 746)	(68 871)	(41 714)
	(17 841)	(22 474)	(52 585)	(18 029)	(26 459)	(120 787)	204 447	175 785	221 632	(99 714)	(97 219)	(136 045)
	44 200	36 876	61 460	42 706	30 234	(25 350)	1 270 470	1 510 524	1 318 839	(137 460)	(166 090)	(177 759)

COMPANY INFORMATION

Directors	A Abercrombie (Non-executive Chairman) M Tajbhai (Chief Executive Officer) J October (Chief Financial Officer) WD Geach (Lead independent) MJ Bowman (Non-executive) R van Dijk (Non-executive) R Kader (Non-executive)
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
Company Secretary	Statucor (Pty) Ltd 6th Floor 119 – 123 Hertzog Boulevard Foreshore Cape Town 8001
Transfer Secretaries	Computershare Investor Services (Pty) Ltd Private Bag X9000 Saxonwold 2132
Sponsors	PSG Capital 1st Floor, Ou Kollege Building 35 Kerk Street, Stellenbosch, 7600 PO Box 7403
Auditors	Deloitte & Touche 5 Magwa Crescent Waterfall City Waterfall Johannesburg 2000
Bankers	The Standard Bank of South Africa Limited First Rand Bank Limited

