

GRAND PARADE INVESTMENTS LIMITED

**ANNUAL FINANCIAL STATEMENTS
AND
GROUP ANNUAL FINANCIAL STATEMENTS**

AT

JUNE 30 2006

GRAND PARADE INVESTMENTS LIMITED

**ANNUAL FINANCIAL STATEMENTS AND GROUP ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30 2006**

Directors : A. Abercrombie; H. Adams; A. Bedford; R. Freese;
(at date of directors report) N. Mlambo; P. Volkwyn; N. Daniels

Nature of Business : Investment Holding Company

Company Secretary : Ralph Freese

Transferring Secretary : Florence Howburg
6th Floor, Thomas Pattullo Building
19 Jan Smuts Street, Foreshore, 8001, Cape Town

Auditors : Ernst & Young



Attorneys : Hofmeyr Attorneys



Bankers : Standard Bank

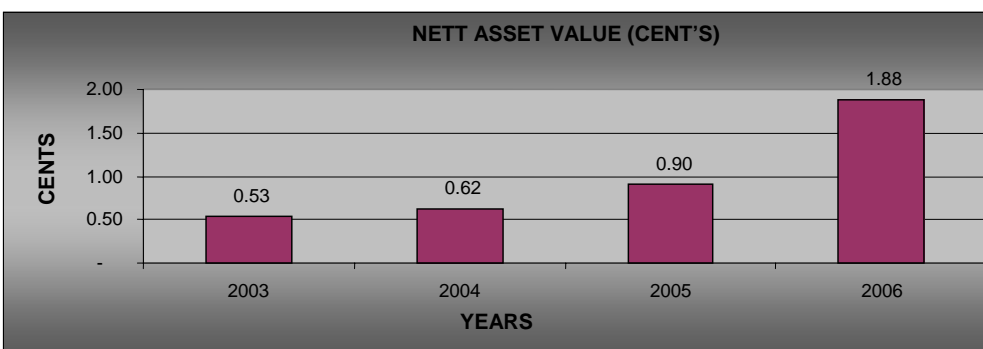
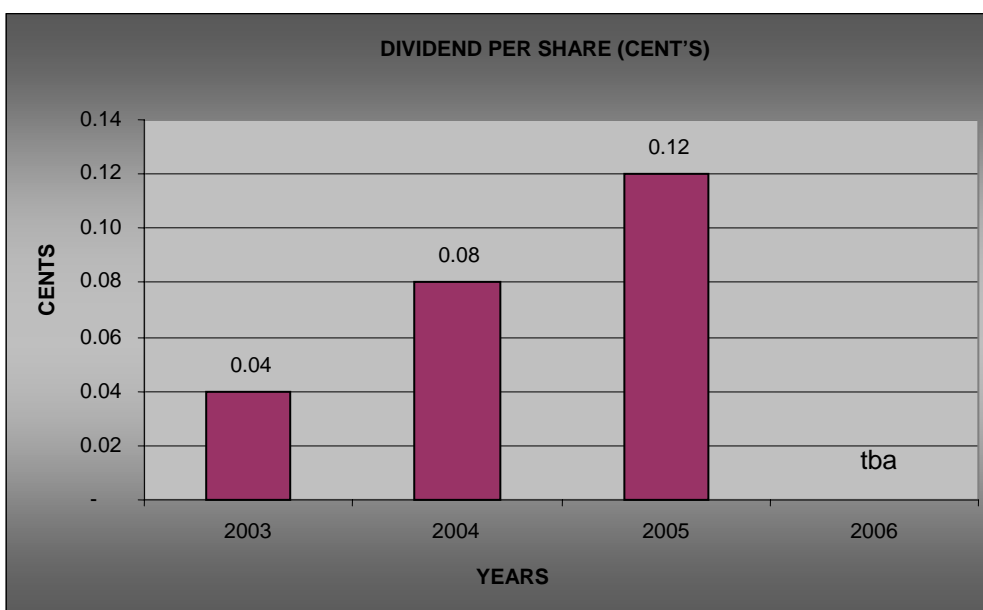
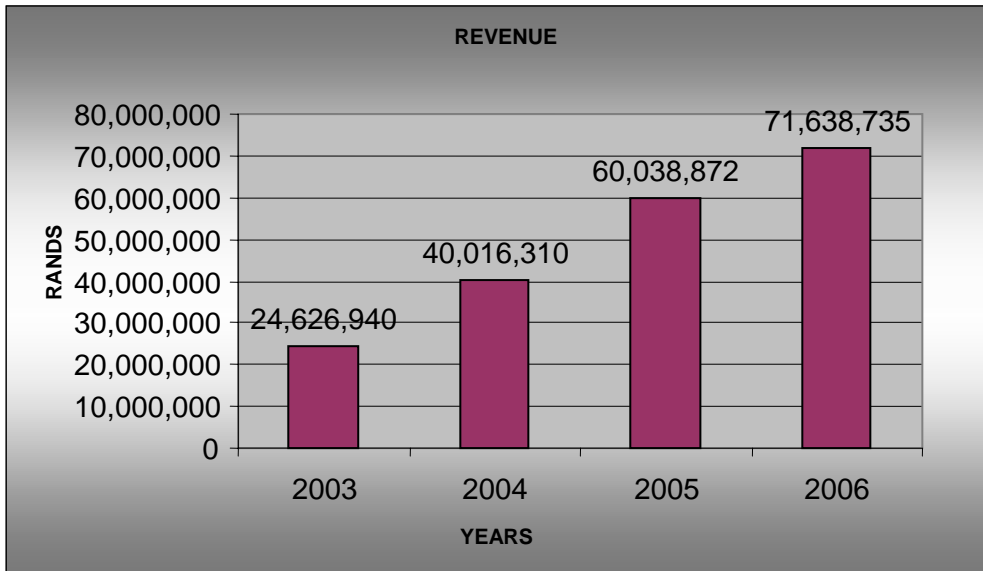
Registered Office : 6th Floor, Thomas Pattullo Building
19 Jan Smuts Street, Foreshore, 8001, Cape Town
PO Box 7746, Roggebaai, 8012
Cape Town

CONTENTS	Page
Financial Highlights	2
Report of the Independent Auditors	3
Report of the Directors	4-6
Declaration by the Company Secretary	7
Consolidated Income Statement	8
Consolidated Balance Sheet	9
Consolidated statement of changes in equity	10
Consolidated cash flow statements	11
Notes to the consolidated financial statements	12-20

Approval of Annual Financial and Group Annual Financial Statements for the year ended June 2006 on 17 November 2006.

Signed: _____
Director

Signed: _____
Director

GRAND PARADE INVESTMENTS LIMITED**FINANCIAL HIGHLIGHTS OVER THE YEARS TO JUNE 2006**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
GRAND PARADE INVESTMENTS LIMITED**

We have audited the accompanying annual financial statements and group annual financial statement of Grand Parade Investments Limited set out on pages 4 to 20 for the year ended June 30 2006 These financial statements are the responsibility of the company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly in all material respects, the financial position of the Company at June 30 2006 and the results of its operations and its cash flows for the year then ended in accordance with South African Statements of Generally Accepted Accounting Practice and the Companies Act in South Africa.

**ERNST & YOUNG REGISTERED AUDITORS INC.
REGISTERED AUDITOR**

Cape Town

17 November 2006

GRAND PARADE INVESTMENTS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2006

The directors present their report on the activities of the company and the group for the year ended 30 June 2006.

NATURE OF THE BUSINESS OF THE COMPANY

The nature of the business is to act as an investment holding company. Also the group provides management services to the gaming industry.

FINANCIAL RESULTS

Full details of the financial results are set out on pages 8 to 20.

SHARE CAPITAL

Details of the authorised and issued share capital are set out in note 7 to the annual financial statements.

12,606,000 new ordinary shares were issued on 23 May 2006 at a price of R5.00 per share.

GPI strives to maintain its BBBEE status and has introduced a Trust to protect this status for the next 7 years. The GPI SPV Trust was sold 12,606,000 GPI ordinary shares which transaction was approved at a General Meeting of shareholders held on 30 July 2006. This step will enable GPI to not only further consolidate its black empowerment status but is the first step in complying with the required BBBEE lock-up in terms of acquiring a further 5% equity in SunWest from Sun International.

SUBSIDIARY COMPANIES

At the year end, the group consists of Grand Parade Investments Limited ("GPI") and its wholly-owned subsidiaries namely, Business Venture Investments No 575 (Proprietary) Limited and GPI Slots (Proprietary) Limited.

SUBSEQUENT EVENTS

1. Potential Transactions with Sun International South Africa Limited ("SISA")

GPI is involved in negotiations with SISA which GPI hopes will culminate in the conclusion of certain transactions pursuant whereunto GPI will further increase its shareholding in SunWest.

The salient features of the first of these transactions are expected to be as follows:

- GPI shall acquire from SISA –
 - 23,346 SunWest N shares; and
 - 536,800 SunWest O shares.

GRAND PARADE INVESTMENTS LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2006 (Continued)

- The purchase price will be R148.81 per SunWest share. The total consideration payable for all these SunWest shares shall therefore be R83,355,326.26.

On the assumption that the Consultants' transaction, to which reference is made below (as approved at the shareholders meeting of 30 July 2006) is implemented, together with the above transaction, GPI's interest in SunWest will increase from approximately 20.03% to approximately 24.1%.

The potential SISA transaction is subject to certain suspensive conditions, including, but not limited to –

- the waiver and abandonment in writing of any rights which GPI may have in terms of the SunWest shareholders agreement in relation to the option initially granted by SISA to GPI to, over time, increase its interest in SunWest to 34%; and
- the redemption of all of the preference shares held by SISA in BVI. Since the year end GPI has redeemed R57,500,000 of the preference shares leaving a remaining R57,797,500 It is GPI's intention to fully redeem the remaining preference shares. The company has sufficient resources to execute this.

2. Potential Transaction with SunWest

GPI is involved in further negotiations with SunWest and SISA which GPI hopes will culminate in the conclusion of a further transaction pursuant whereunto GPI will be able to increase its shareholding in SunWest.

The salient features of this transaction are expected to be as follows:

- SunWest shall grant to GPI options to subscribe for 700,182 new SunWest N shares.
- The subscription price is expected to be R165 per SunWest share.
- The options have to be exercised before 29 June 2012.
- The granting of the options is subject to current Western Cape based BEE GPI shareholders agreeing to lock-in 35% of their shareholding in GPI. The SunWest option will not be tradeable. If the number of locked-in GPI shares reduces to below the requisite percentage prior to 29 June 2012 and the options have not been exercised, the options will lapse. If the number of locked-in GPI shares reduces to below the requisite percentage after the exercise of the option and the situation is not remedied within an agreed period, SunWest will have a call option to repurchase the relevant SunWest shares acquired through the exercise of the relevant option.

This potential SunWest transaction is expected to be subject to certain suspensive conditions, including, but not limited to:

- the waiver and abandonment in writing of any rights which GPI may have in terms of the SunWest shareholders' agreement in relation to the option initially granted by SISA to GPI, to increase its interest in SunWest to 34% over time; and
- the achievement of the lock-in.

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 30 JUNE 2006 (Continued)

3. Transactions with Consultants

In terms of the approval granted at the General Meeting of 30 July 2006, the acquisition of shares in Sunwest from the consultants, H Adams, P Swartz, R Freese and R Moonsamy, is proceeding. When finalised GPI will have increased its interest in Sunwest by 0,91% through the issue of 4,012,304 new GPI shares at R6,50 per share and a cash payment of R 20 million.

4. Investments

During the year the company entered into an agreement to acquire 38% of the share capital of Worcester Casino (Pty) Ltd, the holding company of the Golden Valley Casino in Worcester. The agreement was implemented post the year end when the shares were registered in the name of GPI.

STATEMENT OF RESPONSIBILITY

The directors are responsible for the maintenance of adequate accounting records and the preparation and integrity of the financial statements and related information. The auditors are responsible to report on the fair presentation of the financial statements, which are prepared in accordance with South African Statements of Generally Accepted Accounting Practice and in the manner required by the Companies Act, 1973 in South Africa. These statements were also prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

The directors are also responsible for the company's system of internal financial control. These are designed to provide reasonable, but not absolute, assurance as to the reliability of the financial statements and to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect misstatement and loss. Nothing has come to the attention of the directors to indicate that any material breakdown in the functioning of these controls, procedures and systems has occurred during the year under review.

DIRECTORS AND SECRETARY

Particulars of the present directors and secretary are given on page 1.

The following change in directorships occurred during the year:

PE Swartz resigned on 18 December 2005

C. Sonn appointed on 18 December 2005

Since the year end, C. Sonn, R. Moonsamy and S. Tshiki were removed as directors in accordance with Article 70.3 of the Company's Articles of Association.

CAUTIONARY NOTICE

In view of the litigation as per the chairman's report and the cautionary announcements of 13 and 20 November 2006 and until further information regarding the offer becomes available, shareholders are advised to continue to exercise caution when dealing in shares of GPI.

GRAND PARADE INVESTMENTS LIMITED**DECLARATION BY THE COMPANY SECRETARY
TO THE MEMBERS OF GRAND PARADE INVESTMENT LIMITED**

Pursuant to section 268G(d) of the Companies Act (61 of 1973 as amended), I confirm that, to the best of my knowledge and belief, all returns required of the company, in terms of the said Act, have been duly lodged with the Registrar of Companies, and all such returns are true, correct and are now up to date.

**R FREESE
COMPANY SECRETARY**

GRAND PARADE INVESTMENTS LIMITED

**CONSOLIDATED INCOME STATEMENTS
FOR THE YEAR ENDED JUNE 30 2006**

		GROUP		COMPANY	
	Note	2006 R	2005 R	2006 R	2005 R
REVENUE	1.3	71 638 735	60 038 872	9 257 322	7 657 273
Operating costs		<u>(5 887 040)</u>	<u>(4 491 751)</u>	<u>(1 918 417)</u>	<u>(244 201)</u>
PROFIT FROM OPERATIONS	2	65 751 695	55 547 121	7 338 905	7 413 072
Interest received		1 930 962	1 100 089	666 557	351 483
Interest paid		<u>(2 360)</u>	<u>(29 216)</u>	<u>-</u>	<u>-</u>
PROFIT BEFORE TAXATION		67 680 297	56 617 994	8 005 462	7 764 555
Taxation	3	<u>(12 008 018)</u>	<u>(9 954 893)</u>	<u>(155 934)</u>	<u>(99 097)</u>
NET INCOME FOR THE YEAR		<u>55 672 279</u>	<u>46 663 101</u>	<u>7 849 528</u>	<u>7 665 458</u>
Attributable to					
Equity holders of parent		45 700 649	38 313 746		
Minority interest		<u>9 971 630</u>	<u>8 349 355</u>		
		<u>55 672 279</u>	<u>46 663 101</u>		
		CENTS	CENTS		
Earnings per share after preference dividends	4	<u>50,12</u>	<u>36,52</u>		

GRAND PARADE INVESTMENTS LIMITED

CONSOLIDATED BALANCE SHEET AT JUNE 30 2006

	Note	GROUP		COMPANY	
		2006 R	2005 R	2006 R	2005 R
ASSETS					
Non-current assets		183 755 493	183 402 319	52 539 338	52 500 200
Property, plant and equipment		39 139	-	39 138	-
Investments	5	172 165 067	172 165 067	52 500 200	52 500 200
Related party loan	6	11 551 287	11 237 252	-	-
Current assets		89 294 351	19 542 744	69 642 742	4 900 000
Trade and other receivables		11 605	-	11 606	-
Cash and cash equivalents	9	89 282 746	19 542 744	69 631 136	4 900 000
Total assets		<u>273 049 844</u>	<u>202 945 063</u>	<u>122 182 080</u>	<u>57 400 200</u>
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary shareholders' interest		265 819 404	197 573 373	95 177 591	32 385 377
Share capital and premium	7	92 723 584	29 693 584	92 723 584	29 693 584
Accumulated profit		57 798 320	31 582 289	2 454 007	2 691 793
Redeemable preference shares	8	115 297 500	136 297 500	-	-
Non-current liabilities		3 005 111	2 675 981	23 970 123	23 292 821
Minorities interest		3 005 111	2 675 981	-	-
Related party loans	6	-	-	23 970 123	23 292 821
Current liabilities		4 225 329	2 695 709	3 034 366	1 722 002
Trade and other payables		803 638	532 466	250 940	61 660
Dividends payable		2 569 258	1 590 275	2 569 258	1 590 275
Taxation		852 433	568 484	214 168	65 583
Bank overdraft		-	4 484	-	4 484
Total equity and liabilities		<u>273 049 844</u>	<u>202 945 063</u>	<u>122 182 080</u>	<u>57 400 200</u>
		CENTS	CENTS		
NET ASSET VALUE PER SHARE AT COST:		188	90		

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30 2006**

GROUP	Ordinary share capital R	Share premium R	Preference share capital R	Retained income R	Total R
Balance at June 30 2004	67 394	29 626 190	136 297 500	12 359 969	178 351 053
Net profit for the year	-	-	-	38 313 746	38 313 746
Ordinary dividend paid	-	-	-	(5 391 520)	(5 391 520)
Preference dividend	-	-	-	(13 699 906)	(13 699 906)
Balance at June 30 2005	67 394	29 626 190	136 297 500	31 582 289	197 573 373
Net profit for the year	-	-	-	45 700 649	45 700 649
Ordinary dividend paid	-	-	-	(8 087 314)	(8 087 314)
Preference dividend paid	-	-	-	(11 397 304)	(11 397 304)
Preference shares redeemed	-	-	(21 000 000)	-	(21 000 000)
Share capital raised	12 606	63 017 394	-	-	63 030 000
Balance at June 30 2006	<u>80 000</u>	<u>92 643 584</u>	<u>115 297 500</u>	<u>57 798 320</u>	<u>265 819 404</u>

COMPANY

Balance at June 30 2004	67 394	29 626 190	-	417 855	30 111 439
Ordinary dividends paid	-	-	-	(5 391 520)	(5 391 520)
Net profit for the year	-	-	-	7 665 458	7 665 458
Balance at June 30 2005	67 394	29 626 190	-	2 691 793	32 385 377
Ordinary dividends paid	-	-	-	(8 087 314)	(8 087 314)
Net profit for the year	-	-	-	7 849 528	7 849 528
Share capital raised	12 606	63 017 394	-	-	63 030 000
Balance at June 30 2006	<u>80 000</u>	<u>92 643 584</u>	<u>-</u>	<u>2 454 007</u>	<u>95 177 591</u>

GRAND PARADE INVESTMENTS LIMITED

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30 2006

	Note	GROUP		COMPANY	
		2006 R	2005 R	2006 R	2005 R
Cash flows from operating activities					
Profit from operating activities		67 680 297	56 617 994	8 005 462	7 764 555
Adjustments for:					
Depreciation		1 523	-	1 523	-
Interest received		(1 930 962)	(1 100 089)	(666 557)	(351 483)
Finance charges		2 360	29 216	-	-
Operating cash flows before working capital changes		65 753 218	55 547 121	7 340 428	7 413 072
Increase in trade and other payables		1 250 203	874 491	1 168 262	870 202
Cash generated from operations		67 003 421	56 421 612	8 508 690	8 283 274
Income taxes paid	13.1	(11 724 070)	(9 438 536)	(7 351)	(10 655)
Net cash inflow from operating activities		55 279 351	46 983 076	8 501 339	8 272 619
Cash flows from investing activities					
Property, plant and equipment		(40 658)	-	(40 658)	-
Loans advanced		-	(2 510)	-	(3 514 000)
Decrease in related party loans		(314 035)	(4 758 321)	-	-
Net cash outflow from investing activities		(354 693)	(4 760 831)	(40 658)	(3 514 000)
Cash flows from financing activities					
Capital raised		63 030 000	-	63 030 000	-
Minority shareholders paid		(9 654 106)	(7 773 500)	-	-
Preference shares redeemed		(21 000 000)	(7 000 000)	-	-
Ordinary dividends paid		(8 087 314)	(5 391 520)	(8 087 314)	(5 391 520)
Preference dividends paid		(11 397 304)	(13 699 906)	-	-
Proceeds/(repayment) of borrowings		-	-	665 696	295 665
Interest received		1 930 962	1 100 089	666 557	351 483
Finance charges		(2 360)	(29 216)	-	-
Net cash inflow/(outflow) from financing activities		14 819 878	(32 794 053)	56 274 939	(4 744 372)
Net increase in cash and cash equivalents		69 744 536	9 428 192	64 735 620	14 247
Cash and cash equivalents at the beginning of the year		19 538 260	10 110 068	4 895 516	4 881 269
Cash and cash equivalents at end of year	13.2	89 282 796	19 538 260	69 631 136	4 895 516

GRAND PARADE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT JUNE 30 2006

1 ACCOUNTING POLICIES

The financial statements and group annual financial statements set out on pages 4 to 20 are prepared on the historical cost basis. The group and company's significant accounting policies conform with South African Statements of Generally Accepted Accounting Practice in South Africa. These policies are consistent with those applied in the previous year.

1.1 Consolidation

The group financial statements include those of the company and its subsidiaries. The results of the subsidiaries are included from the effective dates of acquisition. All significant inter-company transactions and balances have been eliminated, with the exception of arm's length transactions with group companies, which are not eliminated on consolidation.

1.2 Significant accounting judgements and estimates judgements.

There are no judgements and estimations which have a significant effect on the amounts recognised in the financial statements.

1.3 Revenue recognition

Dividend income is recognised as dividends are deemed to accrue to the Group on the last date to register.

Interest income is recognised in the income statement on an accrual basis using the effective interest rate method basis.

1.4 Plant and equipment

Plant and equipment are stated at historic cost less accumulated depreciation and accumulated impairment in value. Historical cost includes expenditure that is directly attributable to the acquisition of property and equipment. Subsequent costs are included in the asset's carrying amount or are recognised as a separate assets, as appropriate, only when it is probable that future economic benefits will flow to the group and the cost of the item can be measured reliably. Maintenance and repairs, which do not meet these criteria, are charged against income as incurred. Gains and losses on disposal of assets are included in the income statement.

Plant and equipment are depreciated on the straight line basis over the estimated useful lives of the assets to the current values of their expected residual values. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

The carrying value of the assets is reviewed regularly to assess whether there is any indication of impairment and where the carrying amounts of assets are greater than their recoverable amounts, the assets are written down to these recoverable amounts. The recoverable amount is the greater of the fair value of the asset less costs to sell or the value in use. Depreciation and impairment losses are included in the income statement.

The depreciation rates of tangible assets are as follows:

Audio	-	3 years
Computer equipment	-	3 years
Software	-	2 years

GRAND PARADE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (CONTINUED)****1 ACCOUNTING POLICIES (CONTINUED)****1.5 Financial instruments**

Financial instruments recognised on the balance sheet include cash and cash equivalents, investments, trade receivables, trade payables and borrowings.

Initially financial instruments are measured at the fair value of consideration given or received. Subsequent measurement of financial instruments are made up as follows:

Investments and other financial assets

Financial assets in the scope of IAS39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The group determines the classification of its financial asset after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All regular way purchase of sales of financial assets are recognised on the trade date, i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place.

Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category "financial assets at fair value through profit or loss". Financial assets are classified as held for trading if they are acquired for the purchase of selling in the near term. Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Gains or losses on investments held for trading are recognised in income.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

Loans and receivables

Loans and receivables are non-derivative financial assets or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

GRAND PARADE INVESTMENTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (CONTINUED)****1 ACCOUNTING POLICIES (CONTINUED)****1.5 Financial instruments (Continued)****Available-for-sale financial assets**

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. Investments in equity instruments that does not have a quoted market price in an active market and for which other methods of reasonably estimating fair values are inappropriate are measured at cost.

Impairment

All financial assets are reviewed (individually or collectively) for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Where the carrying value of these instruments exceeds recoverable amount, the asset is written down to the recoverable amount. Impairment losses are recognised in the income statement.

Trade receivables

Trade receivables, which generally have 30-90 day's terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. Provision is made where there is objective evidence that the group will not be able to collect the debts. Bad debts are written off when identified.

Cash and cash equivalents

These are classified as loans/receivables originated by the enterprise and are measured at amortised cost and consists of cash on hand and balances at banks, net of outstanding bank overdrafts.

GRAND PARADE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (Continued)

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
2 PROFIT FROM OPERATIONS				
The operating profit is stated after:				
Income				
Interest received	1 930 962	1 100 089	666 557	351 483
Dividends	<u>71 638 735</u>	<u>60 038 872</u>	<u>9 257 322</u>	<u>7 657 273</u>
Expenses				
Directors' remuneration	387 000	154 200	387 000	77 100
Auditor's remuneration audit fees				
- current year	98 000	91 200	73 000	61 560
- prior year underprovision	98 952	63 916	69 842	49 234
- other services	<u>73 415</u>	<u>16 400</u>	<u>73 415</u>	<u>16 400</u>
3 TAXATION				
South African normal tax				
- current year	9 597 393	7 876 586	155 934	99 097
- prior year underprovision	-	85 197	-	-
Secondary tax on companies	<u>2 410 625</u>	<u>1 993 110</u>	<u>-</u>	<u>-</u>
	<u>12 008 018</u>	<u>9 954 893</u>	<u>155 934</u>	<u>99 097</u>
Standard rate	29,00%	29,00%	29,00%	29,00%
Adjusted for:				
Prior year underprovision	-	0,20%	-	-
Secondary tax on companies	7,75%	9,90%	-	-
Exempt income	(19,77%)	(25,68%)	(33,53%)	(28,60%)
Non deductible expenses	0,76%	9,78%	6,47%	0,88%
Effective tax rate	<u>17,74%</u>	<u>23,20%</u>	<u>1,94%</u>	<u>1,28%</u>
4 EARNINGS PER SHARE AFTER PREFERENCE SHARE DIVIDEND				
Attributable profit per the income statement	45 700 649	38 313 746		
Preference dividend	<u>(11 397 304)</u>	<u>(13 699 906)</u>		
ATTRIBUTABLE PROFIT AFTER PREFERENCE DIVIDEND	<u>34 303 345</u>	<u>24 613 840</u>		
Number of shares for EPS calculation				
Weighted average number of shares in issue (000's)	68 445	67 394		
Earnings per share after preference share dividend (Cents)	50,12	36,52		

GRAND PARADE INVESTMENTS LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (Continued)**

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
5 AVAILABLE FOR SALE INVESTMENTS – (COST)				
Unlisted				
SunWest International (Pty) Ltd				
1 140 700 “O” Shares	56 865 000	56 865 000	-	-
1 537 300 “N” Shares	115 297 500	115 297 500	52 500 000	52 500 000
National Casino Resort Manco (Pty) Ltd	57	57	-	-
Thuo Gaming Western Cape (Pty) Ltd	2 510	2 510	-	-
	<u>172 165 067</u>	<u>172 165 067</u>	<u>52 500 000</u>	<u>52 500 000</u>
Investment in subsidiaries				
- GPI Slots (Pty) Ltd	-	-	100	100
- Business Venture Investments No 575 (Pty) Ltd	-	-	100	100
	<u>172 165 067</u>	<u>172 165 067</u>	<u>52 500 200</u>	<u>52 500 200</u>
Indebtedness	-	-	(23 970 123)	(23 292 821)

Directors’ valuation of unlisted shares:

SunWest International (Pty) Ltd (Group).

Based on information available to the directors, the range of prices for a SunWest International (Pty) Ltd share is between R148.81 and R360.00 (2005: R114.86)

National Casino Resort Manco (Pty) Ltd

57 57 - -

Thuo Gaming Western Cape (Pty) Ltd

2 510 2 510 - -

6 RELATED PARTY LOANS

Grand Parade Investments Limited and its subsidiary companies, in the ordinary course of business, entered into various service and investment transactions.

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
Loans receivable/(payable)				
Sunwest International (Pty) Ltd	6 282 697	5 968 762	-	-
Business Venture Investments No 575 (Pty) Ltd	-	-	(29 241 123)	(28 563 821)
GPI Slots (Pty) Ltd	5 268 590	5 268 490	5 271 000	5 271 000
	<u>11 551 287</u>	<u>11 237 252</u>	<u>(23 970 123)</u>	<u>(23 292 821)</u>

GRAND PARADE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (Continued)

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
7 SHARE CAPITAL AND PREMIUM				
Authorised				
100 000 000 ordinary shares of 0,1 cent each	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>	<u>100 000</u>
Issued				
9 000 000 ordinary shares of 0,1 cent each issued at a premium of 3,23 cents each	299 700	299 700	299 700	299 700
7 500 000 ordinary shares of 0,1 cent each issued at a premium of 0,57 cents each	50 250	50 250	50 250	50 250
3 500 000 ordinary shares of 0,1 cent each at a premium of 19,9 cents a share	700 000	700 000	700 000	700 000
47 394 285 ordinary shares of 0,1 cent each at a premium of 69,9 cents a share	33 203 334	33 203 334	33 203 334	33 203 334
Share issue expense	<u>(4 559 700)</u>	<u>(4 559 700)</u>	<u>(4 559 700)</u>	<u>(4 559 700)</u>
	<u>29 693 584</u>	<u>29 693 584</u>	<u>29 693 584</u>	<u>29 693 584</u>
12 606 000 ordinary shares of 0,1 cent each at a premium of 499,9 cents a share.	<u>63 030 000</u>	<u>-</u>	<u>63 030 000</u>	<u>-</u>
The unissued shares are under the control of directors, subject to Section 221 of the Companies Act 1973.				
80 000 285 shares in issue	<u>92 723 584</u>	<u>29 693 584</u>	<u>92 723 584</u>	<u>29 693 584</u>

GRAND PARADE INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (Continued)

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
8 REDEEMABLE PREFERENCE SHARES				
BOE				
Nil (2005: 2100) preference shares of R1 each issued at a premium of R9 999 each. These preference shares have been redeemed in full during the year.	-	21 000 000	-	-
Preference shares are redeemable at cumulative par value of R1 each share premium of R9 999 each. The shares are redeemable from March 30 2008. The preference shares carry dividends of 13% per annum fixed.				
Sunwest International (South Africa) Ltd	115 297 500	115 297 500	-	-
Preference shares are redeemable at cumulative par value of R1 each share premium of R499 each. The shares are redeemable from June 30, 2006. The preference shares carry a dividend of 80% of prime rate. The preference shares are secured through the investments that BVI (Pty) Ltd hold in Sunwest, Western Cape Manco, and the cash flows that such investments generate.				
	115 297 500	136 297 500	-	-

Subsequent Event

On the 18th August 2006 R57,500,000 of the Sunwest preference shares were redeemed, leaving outstanding preference shares of R57,750,000 at the date of the report.

GRAND PARADE INVESTMENTS LIMITED
**NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (Continued)**

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
9 CASH AND CASH EQUIVALENTS				
Cash and cash equivalents consist of cash on hand and balances with banks. Cash and cash equivalents included in the cash flow statement comprise the following balance:				
Cash at bank and deposits	<u>89 282 790</u>	<u>19 542 742</u>	<u>69 631 136</u>	<u>4 900 000</u>

10 FINANCIAL INSTRUMENTS
Credit risk management

The group only deposits cash surpluses with major banks of high quality credit standing.

At year end, the group did not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for.

Liquidity risk

The group has minimised its liquidity risk by ensuring that it has adequate banking facilities.

Fair value

The directors are of the opinion that the book value of financial instruments approximates fair value.

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
11 DIRECTORS EMOLUMENTS				
Directors' emoluments				
Non-executive directors				
- fees as directors	<u>387 000</u>	<u>154 200</u>	<u>387 000</u>	<u>77 100</u>
Paid by:				
- the company	387 000	77 100	387 000	77 100
- subsidiary	<u>-</u>	<u>77 100</u>	<u>-</u>	<u>-</u>
	<u>387 000</u>	<u>154 200</u>	<u>387 000</u>	<u>77 100</u>
12 DIVIDENDS DECLARED AND PAID				
Equity dividends on ordinary shares				
Final dividend paid for June 30				
2005 : 12 cents (2004: 8 cents)	<u>8 087 314</u>	<u>5 391 520</u>	<u>8 087 314</u>	<u>5 391 520</u>

GRAND PARADE INVESTMENTS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT JUNE 30 2006 (Continued)**

	GROUP		COMPANY	
	2006 R	2005 R	2006 R	2005 R
13 NOTES TO CASH FLOW STATEMENT				
13.1 Taxation paid				
Opening balance	568 485	52 12	65 585	(22 857)
Amount per income statement	12 008 018	9 954 8	155 934	99 097
Closing balance	(852 433)	(568 48	(214 168)	(65 585)
	<u>11 724 070</u>	<u>9 438 5</u>	<u>7 351</u>	<u>10 655</u>
13.2 Cash and cash equivalent				
Comprise of bank balances	<u>89 282 796</u>	<u>19 52</u>	<u>69 631 136</u>	<u>4 900 000</u>

14 CHANGES IN ACCOUNTING POLICY

The adoption of the new and revised standards have resulted in changes to the company's accounting policy in the following area that have affected the amounts reported for the current and prior year.

In terms of IAS32 (Financial Instruments) the redeemable preference shares, which are redeemable at the option of the company are now classified as part of equity. Consequently the dividends relating to these preference shares should be presented as dividends in the statement of changes in equity.

The comparative amounts were restated accordingly.

	GROUP	GROUP	COMPANY	COMPANY
	2006 R	2005 R	2006 R	2005 R
15 RELATED PARTY TRANSACTIONS				
Transactions between related parties are summarised as follows:				
Related parties				
Nadesons (Pty) Ltd				
- Administrative fees	153 900	-	153 900	-
Hofmeyr Herbstein Gihwala Inc.				
- Legal fees	606 135	-	606 135	-
Asch Consulting Engineers (Pty) Ltd				
- Purchase of asset during the year	12 000	-	12 000	-

Nadesons (Pty) Ltd is a consulting company that provides administration services to Grand Parade Investments Limited. A director of Nadesons (Pty) Ltd, Mr Hassen Adams, is also a director of Grand Parade Investments Limited. Subsequent to the year end Florence Howburg has been employed by Nadesons to perform the Transfer Secretarial function.

Hofmeyr Herbstein Gihwala Inc. is a firm of attorneys that provides legal services to Grand Parade Investments Ltd. A director of Hofmeyr Herbstein Gihwala Inc. Mr Alexander Abercrombie is also a director of Grand Parade Investments Ltd.

The balance owing to Hofmeyr Herbstein Gihwala Inc. at year end is R118 608.

Asch Consulting Engineers are engineer consultants. Mr Hassen Adams a director of Grand Parade Investments is also a director of Asch Consulting

Service provided between related parties are concluded at arm's length.

16 CONTINGENT LIABILITY

Litigation relating to GPI's share issue to The GPI SPV Trust has been brought against the company, which claim the directors do not believe has significant chances of success, there is nevertheless a potential liability, in particular for costs estimated at about R2million.