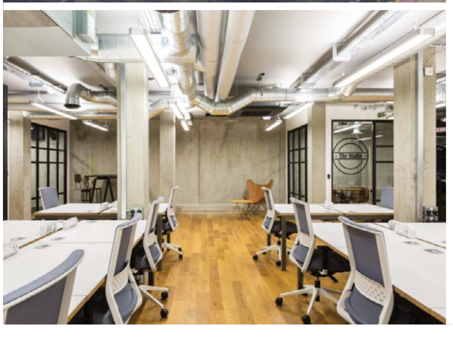
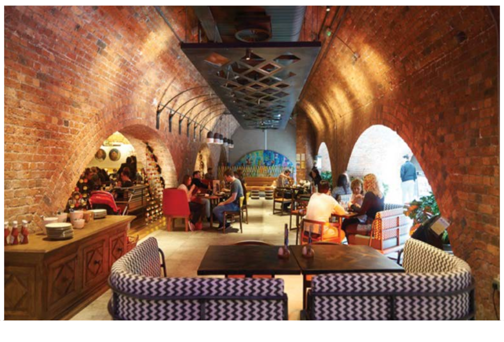
TRADEHOLD LIMITED

INTEGRATED REPORT 2016





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POSITIONING

Tradehold Limited is an investment holding company listed on the main board of the JSE. The bulk of its operating assets are located in the United Kingdom. These assets consist primarily of a 95% holding in the property-owning Moorgarth Group, Tradehold's biggest investment. It manages a property portfolio of £170 million, a figure which includes its 50% share in a joint venture. The portfolio incorporates retail, commercial and industrial properties. During the reporting period it assembled and developed a £54 million portfolio of properties on the African continent through its 100% ownership of Tradehold Africa. Its financial services interests are vested in companies in the UK and in South Africa. In the UK it has, through Reward Investments, an indirect holding of 70% in the two main operating Reward companies, Reward Capital and Reward Invoice Finance, while in South Africa it wholly owns the multi-faceted Mettle Investments.

CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS

"The board expects satisfactory growth in 2016/17. Tradehold is growing its asset base in both the UK and Africa while several major projects – the regional shopping centres in Bolton and Reading in the UK and the Cognis residential development in Maputo – will contribute to revenue in the new financial year."

CH WIESE, CHAIRMAN

Stakeholder approach

Our shareholders and stakeholders are the main users of the integrated report. The contents thereof was determined by their needs.

Operating environment

Economic growth in the UK, where the bulk of Tradehold's property interests is located, slowed in 2015 from 2.8% in 2014 to 2.2% according to official figures. This slowdown in GDP growth comes against the backdrop not only of a waning global economy but also of the political uncertainty caused by the imminent referendum on the country's EU membership. The reporting period saw continued growth in real estate values across all sectors of the economy with vacancy levels reducing markedly in all major cities.

None of the Southern African countries in which Tradehold Africa is expanding its property interests is immune to the challenges facing resource-dependent emerging economies and in the case of all of them growth is expected to slow although from a relatively high base. Despite these lower growth predictions and infrastructural restrictions, development opportunities still abound.

Financial results

In the year to February 2016 Tradehold continued its growth path of the previous financial year, expanding its presence in the UK and certain countries of Southern Africa outside South Africa. The portfolio of properties in the UK and Southern Africa acquired from the Collins Group of KwaZulu-Natal in the beginning of the financial year was successfully integrated into Tradehold's overall operations. During the reporting period the group's total assets grew by 54% to £319 million while revenue increased by 38% to £28.7 million and total profit attributable to shareholders by 82% to £14.3 million (2015: £7.8 million). Total profit includes a £4.6 million gain in the fair-value adjustment of its investment properties.

Despite an increase of about 32 million in the number of shares in issue, core headline earnings per share as defined by the entity, increased 20% to 6.5 pence from 5.4 pence and net asset value per share increased by 9% to 85.1 pence from 78.3 pence.

Property

Above: Beira Shopping, Mozambique, Maputo.

Moorgarth

In the year under review the value of Moorgarth's property portfolio increased by 18.7% to £137.8 million or increased by 47% to £170 million if 50% (£32.7 million) if the joint venture asset (see below) is included. Turnover grew 34% to £16.3 million or 47% to £18.3 million if 50% of the joint venture turnover is included. Moorgarth's contribution (net profit plus group interest) to total group net profit increased by 17% to £8.2 million (2015: £7 million). Non-core assets to the value of £4.2 million were disposed of while the UK properties acquired through the Collins Group transaction were integrated into Moorgarth's overall operations.

Among the highlights of the year was the acquisition of the Broad Street Mall in Reading outside London for £65.4 million in a joint venture with the South African based Texton Property Fund. The property, that is actively managed by Moorgarth, is not only providing a strong income stream but also large-scale residential and leisure development potential as part of the existing complex. The first phase of the refurbishment of the existing mall and office complex has now commenced and is due for completion by the end of the calendar year.

The extensive refurbishment and expansion of The Market Place, the company's other regional shopping centre is well advanced and a number of strategic lettings have been concluded. After acquiring several properties in central London, where demand had been extremely high for a number of years, management is holding back on further acquisitions given the prevailing economic uncertainties for the British economy during the reporting period. However, the company did acquire, at a cost of £13.8 million, a leading central London serviced-office provider, Ventia, combining its operations with those of Moorgarth's The Boutique Workplace Company. Together they operate 26 business centres offering more than 2 800 work stations.

In the light of the growth in the size of Moorgarth's operations a new business unit, Moorgarth Property Management Services, was created to provide all property management services in-house.

CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS (CONTINUED)

Tradehold Africa

Following on the acquisition in March 2015 of the Collins Group's property assets in Namibia, Botswana, Zambia and Mozambique, a focus during the year was to streamline and integrate the management of these properties in the Tradehold Africa structure. Tradehold Africa's property portfolio was £62.8 million and its contribution to total group profits was £1.4 million for the year under review.

The company's major residential development in Maputo, fully let on long-term leases to the US Embassy in Mozambique and to the American oil exploration company Anadarko, was close to completion at the end of the reporting period. The first stage is to be handed over on 1 June and the second phase on 1 September this year. Work on a 15 000m² shopping centre in Beira which is being built at a cost of US$44.6 million, will start in June while construction on a 8 000m² retail centre, a joint venture between Atterbury and Tradehold Africa, in the northern port city of Pemba is also imminent. Both developments will on completion be anchored by the Shoprite Group.

During the year Safland, Tradehold's development partner in Namibia, completed a 13 500m² regional shopping centre in Rundu in the north of that country while the construction of a 30 000m² retail shopping mall in Walvis Bay, developed in conjunction with Atterbury, is on schedule. The company is at present developing a pipeline of mainly retail centres in places such as Gobabis and Oshakati.

In Zambia the company is currently maximising the income from its properties in the highly desirable location Cairo Road in the capital, Lusaka. Earlier in the year, Tradehold's offer, in conjunction with African Property Investments of Mauritius, for 51% of Real Estate Investments Zambia did not receive the required support from that company's shareholders and the offer was withdrawn.

Financial services

Reward

In the 12 months to February 2016, the two operating units of Reward Investments – Reward Capital, which focuses on short-term, asset-backed loans to smaller businesses, and Reward Invoice Finance which offers bespoke invoicing-discounting facilities to similar-sized ones – generated net profit of £2.3 million (2015: £2 million) on turnover of £6.6 million (2015: £5.1 million). Its total contribution to the net profit of the group (i.e. after minorities plus group interest) was £3.3 million, an increase of 49% over the previous year (2015: £2.2 million). At year-end the total loan book stood at £32 million, an increase of £12 million over the previous year.

Mettle

Over the review period Mettle has shown consistent organic growth across its seven business units which span a wide spectrum – from corporate advisory, specialist lending, credit administration and solar power solutions. During the year, Mettle Solar bought a 50% stake in Sustainable Power Solutions (SPS), a leading engineering and construction firm that specialises in the design, installation and operation of solar photovoltaic (PV) systems. Mettle produced a net after-tax profit of £785 000 (2015: £428 000).

Prospects

The board expects satisfactory growth in 2016/17. Tradehold is growing its asset base in both the UK and Africa while several major projects – the regional shopping centres in Bolton and Reading in the UK and the Cognis residential development in Maputo – will contribute to revenue in the new financial year. Others will follow as they reach completion. The financial services division is expected to maintain the momentum built up during the review period while Mettle has entered, through Mettle Solar, the exciting area of renewable energy with its potential in countries such as those of Southern Africa.

Below: Broad St. Mall, Reading, United Kingdom.

Sustainability context

Tradehold's strength is built on achieving economic sustainability in adverse market conditions. The Group withstood the effects of the economic recession and announced a rights issue during April 2011 to strengthen its balance sheet and obtain working capital to enhance its positioning for future growth and secured long-term sustainability.

In the short term, the directors will focus on measures needed to keep the Group profitable until the economy and the property market have improved. Tradehold's management approach to its subsidiaries is to be actively involved in day-to-day operations and to maintain open and ongoing communication with subsidiaries' executive and management teams. This approach affords the executive charged with oversight responsibility the insight and influence into all major decisions necessary for ongoing risk management and to ensure that we meet our short-term objectives.

Acknowledgments

The year under review has been an exciting and gratifying time. We have grown the business strongly on all fronts and we have started exploring new areas of potential growth. The acquisition of the Collins Group portfolio provided us with an excellent springboard into Southern Africa while the new projects we have initiated in both the UK and on the African continent bode well for the future. Management and staff fully share the board's vision for the company and I thank all of them for the enthusiasm and drive with which they have confronted and overcome the many challenges that have presented them on a daily basis.

CH Wiese
Chairman

23 May 2016

CORPORATE GOVERNANCE

Tradehold Limited is an investment holding company. At year-end, its principal business consisted of:
- A 95% interest in the property-owning and serviced office business Moorgarth group of companies
- A 70% interest in asset-backed, short-term lender Reward, based in the United Kingdom
- A 100% holding in financial services business Mettle based in South Africa
- A 100% stake in property-owning and property development Tradehold Africa group of companies, based in Mauritius and
- A 100% stake in property-owning and property development Nguni Property Fund group of companies, based in Namibia.

It conducts treasury activity through its wholly-owned finance company, Tradegro S.á r.l. Transactions within the Moorgarth Group deal mainly with the acquisition, development, refurbishment, letting, and sale of property assets, and a serviced office business. At year-end the Moorgarth Group owned and managed 25 commercial properties.

Tradehold Limited is committed to upholding good ethical standards and the application of corporate governance principles relevant to the size of its business. During the year, Tradehold reviewed the principles contained in the King Report on Governance for South Africa ("King III") and assessed their relevance and applicability to the group. Due to the size and nature of its operations, the board does not consider the application of all principles contained in King III appropriate. Where principles are not applied, an explanation for these is contained within the report. In compliance with the regulations of the JSE, a complete list of the King III principles and the company's compliance therewith appears on the company's website – www.tradehold.co.za

Board and board committees

The board takes overall responsibility for managing the group. It has established the following board committees: audit committee, remuneration committee and social and ethics committee. The board comprises eight directors, three of whom are independent non-executive, one who is non-executive and four who fulfil executive functions. Tradehold Limited has a non-executive but non-independent chairman whom the board considers the best person for the position. Two of the executive directors jointly act as chief executive officer. The composition of the board is reviewed on a regular and ongoing basis. Mr. Herman Troskie has been appointed as the lead independent director.

The process for appointing new directors is performed by the board as a whole and new directors are obliged to retire and offer themselves for re-election at the first annual general meeting following their appointment.

All directors are subject to the retirement and re-election provisions of the memorandum of incorporation, which require one-third of the non-executive directors to retire and, if they so wish, offer themselves for re-election at each annual general meeting. Due to the nature and size of the business, induction as well as ongoing training and development programmes are not driven through formal processes.

The board meets at least twice a year and more often when required. For details on board meetings and attendance, refer to the table below:

The composition of the board, outlined above and below, reflects the position at the end of February 2016, and the attendance of board and committee meetings is for the financial year.

Composition of the board at 29 February 2016 and attendance of meetings for the financial year.

Board of directors	Qualification	Date of appointment	Age	Executive/ independent non-executive	Meetings attended (out of 2)	Other significant directorships
Dr CH Wiese	BA, LLB, D Com (HC)	29 September 2000	74	Non-executive	1	Chairman of Pepkor Holdings (Pty) Limited, Shoprite Holdings Limited and Invicta Holdings Limited, director of Steinhoff International Holdings N.V., Pallinghurst Resources Limited, Brait SE and various other companies.
Mr HRW Troskie	B Juris, LLB, LLM	27 April 2006	46	Independent non-executive #	2	Brait SE and Ardagh Group S.A.
Mr MJ Roberts	BA, SEDP	28 February 2012	69	Independent non-executive	2	
Mr JM Wragge		27 May 2014	68	Independent non-executive	1	Gritprop Investments (Pty) Ltd, Mountain Mill Shopping Centre (Pty) Ltd and various other companies.
Ms KL Nordier	BAcc, BCompt Hons, CA(SA)	27 May 2014	49	Executive	2	
Mr TA Vaughan	BSc (Hons) MRICS	10 November 2010	50	Executive	2	Managing director of Moorgarth Group.
Mr FH Esterhuyse	BAcc Hons, MCom(Tax), CA(SA)	27 May 2014	46	Executive	2	Managing director of Mettle Group.
Mr DA Harrop	BA Hons, ACA	27 May 2014	46	Executive	2	Financial director of Moorgarth Group.

The independence of directors is assessed on an annual basis and the board is confident that the independence of Mr Troskie has not been impaired by his length of service.

The board is satisfied that it has effectively discharged its statutory duties and oversight role and wishes to report that:

– It has and continues to maintain an approvals framework that allows it appropriate insight into and influence over significant business transactions within the group
– The current compliance strategy followed is appropriate given the size and structure of the group and the board is not aware of any instances of non-compliance to applicable laws and regulations
– IT infrastructure and strategy is appropriate given the size and nature of the business.

It is the board's view that its performance and that of its members are directly correlated to the success of the group. The performance evaluation of the board, its committees and all directors are reflected upon during the annual review of the group's performance.

The board is satisfied that the company secretary has the right qualifications and experience, and is competent for this role. The board can also confirm the relationship between the company secretary and the board is at arms-length.

Audit committee report

The audit committee has submitted the following, as required by section 94 of the Companies Act, Act 71 of 2008, as amended.

1. Functions of the audit committee

The audit committee has adopted a formal terms of reference, delegated to it by the board. The audit committee wishes to report that it has:

1.1. Reviewed the interim and preliminary results and the year-end annual financial statements, as well as the content of the integrated report, culminating in a recommendation to the board to adopt it.
1.2. Reviewed the external audit reports on the annual financial statements.
1.3. Reviewed risk management and internal control reports of the group and, where relevant, made recommendations to the board.
1.4. Verified the independence of the external auditors, nominated PricewaterhouseCoopers Inc. as the auditors for 2016 and noted the appointment of Mr Anton Wentzel as the designated auditor.
1.5. Approved the audit fees and engagement terms of the external auditors; and
1.6. Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors.

CORPORATE GOVERNANCE (CONTINUED)

2. **Members of the audit committee and attendance at meetings**
The audit committee aims to fulfil the roles and responsibilities as required by the Companies Act and King III. The audit committee consists of three members.
The audit committee meets at least twice a year as per the audit committee charter, details of which are listed below. All members act independently as described in section 94 of the Companies Act, Act 71 of 2008, as amended.

Audit committee	Qualification	Date of appointment	Age	Executive/ independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	15 February 2008	46	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	28 February 2012	69	Independent non-Executive	2
Mr JM Wragge		27 May 2014	68	Independent non-Executive	1

The external auditors, in their capacity as auditors to the group, attended and reported to all meetings of the audit committee. Members of the executive management also attended the audit committee meetings by invitation.

3. **Independence of external auditors**
The audit committee reviewed a representation by the external auditors and, after conducting its own review, confirmed the independence of the auditors.

4. **Expertise and experience of financial resources**
The audit committee has satisfied itself that the financial director has appropriate expertise and experience. The audit committee has considered, and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function.

5. **Statement on effectiveness of internal financial controls**
The audit committee reviewed the financial reports submitted for the group and through discussion with management and the external auditors herewith reports that internal financial controls were adequate and operated effectively for the financial year ended 29 February 2016.

Remuneration committee

The remuneration committee is a sub-committee of the board and consists of two members. Its main functions are to consider and approve the remuneration of executives whose earnings are above a certain level. It also makes recommendations to the board regarding the fees to be paid to non-executive directors.

Remuneration committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 3)
Mr HRW Troskie	B Juris, LLB, LLM	25 October 2012	46	Independent non-executive	3
Mr MJ Roberts	BA, SEDP	27 May 2014	69	Independent non-executive	3

Certain executive members of management attended the remuneration committee meeting by invitation.

The remuneration policy is to compensate employees on a basis comparable with similar organisations, taking into consideration performance as an important factor in determining the remuneration of management and executive directors. Non-executive directors' fees are based on their relative contributions to the activities of the board.

Details of the remuneration and participation of directors in share incentive schemes appear elsewhere in this report.

Social and ethics committee

The social and ethics committee is a sub-committee of the board and consists of three members. The committee functions in accordance with a formal mandate adopted by the board. The main task of the committee is to monitor any issues concerning the social and ethical behaviour of the company as required in section 72(4) of the Companies Act no. 71 of 2008 read with Regulation 43 of the Companies Regulations, 2011.

The membership and members attendance of the committee is set out below.

Social and ethics committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	28 May 2012	46	Independent non-executive	2
Mr. MJ Roberts	BA, SEDP	28 May 2012	69	Independent non-executive	2
Mr JM Wragge		27 May 2014	68	Independent non-executive	1

Risk management and internal control

The uncomplicated structure of the group, and the nature and limited number of transactions do not warrant sophisticated internal control and risk management systems, the application of a combined assurance model or the establishment of an internal audit function. The board deems executive directors' intimate involvement in the operations of the company and its subsidiaries sufficient to provide it with appropriate and relevant information on risk management activities performed, risks identified and action plans in place to mitigate material risks as well as on internal control measures in place. Detailed reports on risks and controls are submitted to the audit committee, and key considerations are elevated to the board as and when appropriate.

In addition to the above, the board applies the following principal elements of internal control:

- An annual budgeting system, integrating both financial and operational budgets together with the identification of risks inherent in each area of operation. These budgets are subject to board approval
- Monthly consideration by the board of actual results compared with budgets and forecasts together with the preparation of revised forecasts whenever deemed necessary
- Confirmation to the board of any changes in business, operational and financial risk in each area of the business
- Clearly defined authorisation procedures for capital expenditure established by the board, and
- Authority levels designated to subsidiary board directors and senior management.

Key risks and mitigating strategies are detailed below:

- The economic climate in the UK as it pertains to the commercial property market poses the most significant risk to the group. The performance of the past year has been satisfactory due to the skill and care exercised by the Moorgarth executives charged with the oversight responsibility. Exposure to the property market in the southern African continent (excluding South Africa) has also been identified as a key risk as the group expands its portfolio under Tradehold Africa and Nguni Property Fund in 2016. An experienced management team has been sourced to mitigate this risk.
- Key risks facing Moorgarth Group include inappropriate acquisitions and loss of income due to tenant failure or vacancies or failure of the Ventia serviced office business acquired during the year. These risks are mitigated through the performance of full legal and financial due diligences, formal review and approval by the Tradehold Limited directors for all acquisitions, ongoing communication with tenants, and strong marketing initiatives in respect of vacant properties through a range of channels.
- Reward makes loans to small businesses on a short-term basis. The loans are secured by the assets of the borrower. Borrowers are typically businesses that do not qualify for the lending criteria of the UK banking sector especially given the current practices of the formal banking sector. The risk in this business is the failure of the borrower, but this is mitigated through taking security over the assets of the borrower.
- Mettle is a diversified financial services business engaging in invoice discounting, secured loans, incremental housing finance, specialised finance and outsourced credit administration for asset finance. The main risks in this business are the failure to recover invoice discounting debtors, but this is mitigated through strict take-on procedures, ongoing monitoring, and control over debtor receipts.

Integrity and ethics

Tradehold Limited at all times endeavours to maintain the highest standard of integrity in dealing with its clients, staff, the authorities, shareholders, suppliers and the investor community and, in doing so, to ensure the largest measure of credibility, trust and stability. Structures and procedures are in place for the reporting of unethical behaviour. The chief executive of each group company is responsible for ethical behaviour within his organisation. The board is of the opinion that a high level of standards was being maintained by the group and it is not aware of any instances of unethical behaviour during the year ended 29 February 2016.

Tradehold Limited
("Tradehold" or "the company")
JSE code: TDH
ISIN: ZAE000152658

NOTICE TO SHAREHOLDERS

Tradehold Limited and its subsidiaries

Notice is hereby given that the annual general meeting ("AGM") of the shareholders of Tradehold Limited ("Tradehold" or "the company"), will be held in the boardroom at the head office of Pepkor Limited, located at 36 Stellenberg Road, Parow Industria, at 10am on 11 August 2016.

The purpose of the AGM is to pass the ordinary and special resolutions, with or without modification:

Attendance and voting

In terms of section 59(1)(a) and (b) of the Companies Act, 71 of 2008, as amended ("the Act"), the board of directors ("the Board") has set the record date for the purpose of determining which shareholders are entitled to:

– receive notice of the AGM, i.e. the Notice Record Date (being the date on which a shareholder must be registered in the Company's share register in order to receive notice of the AGM as Friday, 24 June 2016; and
– participate in and vote at the AGM, i.e. the Meeting Record Date (being the date on which a shareholder must be registered in the Company's share register in order to participate in and vote at the AGM) as Friday, 29 July 2016.

Please note that all participants at the AGM will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. Forms of identification that will be accepted include original and valid identity documents, driver's licences and passports.

Ordinary resolution number 1

That the annual financial statements for the year ended 29 February 2016 including the auditor's report be adopted.

Ordinary resolution number 2

That PricewaterhouseCoopers Inc, as nominated by the Company's audit committee, be re-appointed as independent auditors of the Company to hold office until the conclusion of the next AGM of the Company. It is to be noted that Mr A Wentzel is the individual and designated auditor who will undertake the Company's audit for the financial year ending 28 February 2017.

Ordinary resolution number 3

That Dr C H Wiese who retires as director in terms of the Memorandum of Incorporation ("MOI") of the Company and, being eligible, offers himself for re-election to the Board, be re-appointed. Dr C H Wiese is 74 years of age and has the qualification BA ; LL B ; D Com (hc). Dr Wiese is the non-executive chairman of Tradehold Limited and Shoprite Holdings Limited.

Ordinary resolution number 4

That Mr J M Wragge who retires in terms of the MOI of the Company and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr Wragge is 68 years of age and has many years' experience in the retail and commercial property sector He has been the driving force behind a number of iconic property developments in South Africa and internationally. Mr Wragge is currently the chairman of Gritprop Investments (Pty) Limited.

Ordinary resolution number 5

That, subject to the provisions of the Act and in accordance with the JSE Limited ("JSE") Listings Requirements ("Listings Requirements"), the Board is hereby authorised to issue ordinary shares of 1 cent each for cash, as and when suitable situations arise, subject to the following conditions:

– That this authority is valid until the Company's next AGM, provided it shall not extend beyond 15 months from the date that this authority is given;
– That the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
– That a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of ordinary shares in issue prior to the issue in question;
– That securities which are the subject of the issue for cash may not exceed 15% of the Company's listed equity securities as at the date of this notice of AGM (this number of shares being 28 235 985;
– That in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price as determined over the 30 business days prior to the date that the price of the issue is agreed between the issuer and the party subscribing for the securities; and

That any such issue will only be made to public shareholders as defined by the Listings Requirements and not to related parties.

In terms of the Listings Requirements, 75% majority of the votes of all shareholders present in person at the AGM or represented by proxy, must be cast in favour of this resolution to approve this Ordinary Resolution 5

Ordinary resolution number 6
That, subject to the provisions of the Act and the Listings Requirements, it is resolved that the directors be and are hereby authorised to allot and issue authorised but unissued shares in the capital of the Company, at their discretion for such purposes as they may determine.

Ordinary resolution number 7
That the following independent directors of the Company be elected as members of the audit committee of the Company until the conclusion of the next AGM of the Company:

- H R W Troskie
- M J Robert
- M Wragge

Ordinary resolution number 8
That the following independent directors of the company be elected as members of the social and ethics committee of the company until the conclusion of the next AGM of the company:

- H R W Troskie
- M J Roberts
- M Wragge

Ordinary resolution number 9
That the following independent directors of the company be elected as members of the remuneration committee of the company until the conclusion of the next AGM of the company:

- H R W Troskie
- M J Roberts

Special resolution number 1
Resolved as a special resolution that the directors' remuneration to be paid by the company for services rendered during the reporting period be confirmed to be as follows:

CH Wiese:	EUR 50 000
H R W Troskie:	EUR 14 625
M J Roberts:	EUR 4 602

The effect of the special resolution and the reason therefore is to approve the remuneration of the Board members for their services rendered during the reporting period.

Special resolution number 2
It is resolved as a special resolution that the company be and is hereby authorised, in terms of section 45(3)(ii) of the Act to, on the instructions of its Board, provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related company or corporation, or to a person related to any such company, corporation, director, prescribed officer or member.

The Board considers that such a general authority should be put in place in order to assist the company inter alia to make loans to persons, including subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances. The existence of a general authority would avoid the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2017 AGM of the Company.

The section 45 Board resolution will be subject to and effective to the extent that special resolution number 2 is adopted by shareholders and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board being satisfied that immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 45(3)(b)(ii) of the Act.

The effect of the special resolution and the reason there for is to grant the Board the general authority to provide direct or indirect financial assistance to a director or prescribed officer of the Company or to a related or inter-related company or members or persons related to such company, director, prescribed officer or corporation.

Special resolution number 3
It is resolved as a special resolution that the Company be and is hereby authorised, in terms of section 44(3)(ii) of the Act to, on the instructions of its Board, provide direct or indirect financial assistance by way of loan, guarantee, the provision of security or otherwise to any person for the purpose of or in connection with the subscription of any options or securities, issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or a related or inter-related company.

The Board considers that such a general authority should be put in place in order to assist the Company inter alia to make loans to persons, including subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances, for the purpose of the subscription or purchase of shares in the capital of the Company. The existence of a general authority would avoid the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2017 AGM of the Company.

The section 44 Board resolution will be subject to and effective to the extent that special resolution number 3 is adopted by shareholders and the provision of any such direct or indirect financial assistance by the Company, pursuant to such resolution, will always be subject to the Board

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

being satisfied that immediately after providing such financial assistance, the Company will satisfy the solvency and liquidity test as referred to in section 44(3)(b)(ii) of the Act.

The effect of the special resolution and the reason there for is to grant the Board the general authority to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company a related or inter-related company.

Special resolution number 4

Resolved, as a special resolution, that the mandate given to the Company (or one of its wholly-owned subsidiaries) providing authorisation, by way of a general authority contemplated in sections 46 and 48 of the Act, read with sections 114 and 115, to acquire the Company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the provisions of the Act and the Listings Requirements of the JSE, be extended, subject to the following terms and conditions:

- Authorisation be given by the Company's MOI;
- Any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter-party;
- This general authority will be valid until the Company's next AGM, provided that it shall not extend beyond fifteen months from date of passing of this special resolution;
- An announcement will be published as soon as the Company has cumulatively repurchased 3% of the initial number (the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases;
- Repurchases by the Company in aggregate in any one financial year may not exceed 20% of the Company's issued share capital as at the date of passing of this special resolution or 10% of the Company's issued share capital in the case of an acquisition of shares in the Company by a subsidiary of the Company;
- Repurchases may not be made at a price greater than 10% above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction was effected;
- Repurchases may not be undertaken by the Company or one of its wholly-owned subsidiaries during a prohibited period (unless the Company has a share repurchase programme in place and the dates and quantities of shares to be traded during the relevant period are fixed and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.;
- At any point in time, the Company may only appoint one agent to effect any repurchase;

The Board intends either to hold the shares purchased in terms of this authority as treasury shares or to cancel such shares whichever may be appropriate at the time of the repurchase of shares.

The Board is of the opinion that, after considering the effect of the maximum repurchase permitted and for a period of 12 months after the date of this notice of AGM:

- The company and the group will be able, in the ordinary course of business, to pay its debts as they become due;
- The assets of the Company and the group will be in excess of the liabilities of the Company and the group, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements;
- The working capital of the Company and the group will be adequate for ordinary business purposes; and
- The share capital and reserves are adequate for the ordinary business purposes of the Company and the group.

The effect of the special resolution and the reason therefore is to extend the general authority given to the directors in terms of the Act and the Listings Requirements for the acquisition by the Company (or one of its wholly-owned subsidiaries) of its own securities, which authority shall be used at the directors' discretion during the course of the period so authorised.

Non-binding advisory vote on the remuneration policy of the company:

It is resolved as a non-binding advisory vote that the remuneration policy of the company, as set out on page 8 of the annual report, be and is hereby endorsed through a non-binding advisory vote as recommended in terms of the King Code of Governance for South Africa 2009.

Reason for and effect of non-binding advisory vote

In terms of principle 2.27 of the King Code of Governance for South Africa 2009, the Company's remuneration policy should be tabled to the Shareholders for a non-binding advisory vote at the AGM. Accordingly, the Shareholders are requested to endorse the Company's remuneration policy by way of a non-binding advisory vote in the same manner as an ordinary resolution.

In terms of the Listings Requirements, the following disclosures are required with reference to the general authority to repurchase the Company's shares set out in the special resolution above, some of which are set out elsewhere in the annual report of which this notice forms part ("this annual report"):

Directors and management – refer the inside back cover;
Major shareholders of the Company – refer page 101;
Directors' interests in the Company's securities – refer page 101;
Share capital – refer page 58.

Litigation statement

Other than disclosed or accounted for in this annual report, the directors of the Company, whose names are given on the inside back cover of this annual report, are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had, in the 12 months preceding the date of this notice, a material effect on the group's financial position.

Directors' responsibility statement

The directors, whose names are given on the inside back cover of this annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolutions and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolutions contains all information required.

Material change

Other than the facts and developments reported on in this annual report, there have been no material changes in the affairs, financial or trading position of the group since the signature date of this annual report and the posting date hereof.

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 4 as well as 6 to 9. For ordinary resolution number 5 and the special resolutions a 75% voting majority is required by law and the JSE Listings Requirements.

Proxies

All registered shareholders of the Company will be entitled to attend and vote in person or by proxy at the AGM. A form of proxy is attached for completion by certificated shareholders and dematerialised shareholders with own name registration who are unable to attend in person. Forms of proxy must be completed and received by the Company secretary by not later than 48 hours before commencement of the meeting. Certificated shareholders and dematerialised shareholders with own name registration who complete and lodge forms of proxy, will nevertheless be entitled to attend and vote in person at the AGM, should they subsequently decide to do so. Dematerialised shareholders, other than own name registration, must inform their CSDP or broker of their intention to attend the AGM and obtain the necessary authorisation from the CSDP or broker to attend the AGM, or provide their CSDP or broker with their voting instructions, should they not be able to attend the AGM in person. This must be done in terms of the agreement entered into between the share-holder and the CSDP or broker concerned.

Electronic attendance

There will be no provision for electronic participation for attending and voting at the AGM.

By order of the board

F V. Th–t

F M ver Loren van Themaat
Secretary

23 May 2016

Parow Industria
7493

STOCK EXCHANGE TRANSACTIONS

	2016	2015	2014	2013	2012
Number of shares traded ('000)	12 914	12 158	4 730	5 997	7 476
Value of shares traded (R'000)	287 754	199 705	50 891	45 243	43 307
Volume of shares traded as % of total issued shares	6.9	7.8	3.4	4.3	6.3*
Market capitalisation (R'000)	5 477 781	2 888 458	1 898 367	1 233 246	881 286
Share prices for the year (cents)					
Lowest	1 650	1 245	750	600	450
Average	2 250	1 728	1 046	754	579
Highest	3 401	2 175	1 420	920	750
Closing	2 910	1 850	1 370	890	636

* Based on weighted average number of shares in issue

SECRETARIAL CERTIFICATION

In my capacity as company secretary, I hereby confirm, in terms of the Companies Act, 2008, ("the Act"), that for the year ended 29 February 2016, Tradehold Ltd has filed all the required returns and notices in terms of the Act, and all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

FM ver Loren van Themaat
Company secretary

23 May 2016

ANNUAL FINANCIAL STATEMENTS

The annual financial statements were audited by PricewaterhouseCoopers Inc in compliance with any applicable requirements of the Companies Act of South Africa. The preparation of the annual financial statements was supervised by the financial director, Ms KL Nordier.

The annual financial statements were authorised on 23 May 2016 by the Board of directors.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements were approved by the Board of directors and are signed on its behalf by:

CH Wiese
Chairman

KL Nordier
Director

23 May 2016

DIRECTORS' REPORT

Tradehold Limited and its subsidiaries

Share capital

Full details of the company's authorised and issued share capital are set out in the notes to the annual financial statements.

Business of the group

Tradehold Limited is an investment holding company with investments in subsidiaries, and at year-end the company held the following significant investments:

Subsidiaries:

- **Moorgarth Holdings (Luxembourg) S.à r.l.**
  Moorgarth owns a portfolio of commercial properties situated in the United Kingdom and acquired the serviced office business Ventia Ltd during the year.
- **Clumber Park Hotel LLP ("CPH")**
  Clumber Park Hotel operates a hotel and spa business.
- **Reward Investments Ltd**
  Reward is an asset-backed, short-term lending business situated in the United Kingdom.
- **Tradegro S.à r.l.**
  Tradegro renders certain head office and treasury services in the group.
- **Tradehold Africa Ltd**
  Tradehold Africa owns a development property in Mozambique and holds a portfolio of commercial properties in Mozambique, Botswana and Zambia acquired through the Collins property portfolio acquisition during the year.
- **Mettle Investments (Pty) Ltd**
  Mettle Investments is a South African financial services group.
- **Nguni Property Fund Ltd**
  Nguni owns a portfolio of commercial properties and property developments in Namibia acquired through the Collins property portfolio acquisition during the year.

Tradehold Limited's interests in its subsidiaries, as well as their individual activities, are set out in the annual financial statements.

Investment properties

Changes in properties during the year and details of property valuations at 29 February 2016 are shown in note 2 to the annual financial statements.

Borrowings

Interest-bearing borrowings are shown in note 15 and 20 to the annual financial statements, and includes bank borrowings of £89.7 million (2015: £20.7m).

Group results

Earnings

After taking into account the interest of non-controlling shareholders, the group reports a basic earnings per share of 7.6 pence (2015: 5.1 pence).

The annual financial statements on pages 18 to 101 set out fully the financial position, results of operations and cash flows of the group for the financial year ended 29 February 2016.

Dividends

A dividend of 6 cents per share, declared on 29 May 2015, was paid on 29 June 2015. (2015: 5.5 cents per share).

Events after the reporting period

There are no significant subsequent events after year end which need to be adjusted for or additional disclosure required.

Going concern

The directors consider that the group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the group annual financial statements. The directors have satisfied themselves that the group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements.

Directorate

The names of the directors are listed elsewhere in the integrated report.

In terms of the Memorandum of Incorporation of the company Messrs C H Wiese and J M Wragge retire as directors of the company at the annual general meeting but, being eligible, offer themselves for re-election.

At 29 February 2016 the directors of Tradehold Limited held a direct interest of 0.4% (2015: 0.4 %) and an indirect, non-beneficial interest of 63.9% (2015: 76.6%) of the issued ordinary share capital of the company. Indirect holdings through listed companies have not been included.

No change in the shareholding of directors has occurred between the end of the financial period and the date of this report.

Holding company

At 29 February 2016 the company had no holding company. An analysis of the main shareholders of the company appears on page 101 of this report.

Secretary

The name and address of the secretary appear on the inside back cover of this report.

Auditors

PricewaterhouseCoopers Inc will continue in office in accordance with the Companies Act in South Africa.

AUDITOR'S REPORT

To the shareholders of Tradehold Limited

Report on the Financial Statements

We have audited the consolidated and separate financial statements of Tradehold Limited set out on pages 18 to 101 which comprise the statements of financial position as at 29 February 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The company's directors are responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated and separate financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Tradehold Limited as at 29 February 2016, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 29 February 2016, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Tradehold Limited for 18 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: Anton Wentzel
Registered Auditor

Cape Town
23 May 2016

STATEMENT OF FINANCIAL POSITION

Tradehold Limited and its subsidiaries at 29 February 2016

COMPANY 2015 R'000	COMPANY 2016 R'000		Notes	GROUP 2016 £'000	GROUP 2015 £'000
		ASSETS			
1 772 537	2 574 055	**Non-current assets**		235 845	133 399
		Property, plant and equipment	1	7 860	5 186
		Investment properties	2	196 879	120 552
		Goodwill	3	11 758	2 306
1 738 560	2 574 055	Interest in subsidiaries	4	—	
		Investment in joint venture	5	13 793	
		Investments in associates	6	3 490	1 544
33 977	—	Loans receivable	7	1 252	1 905
		Deferred taxation	8	510	261
		Trade and other receivables	10	303	1 645
780 733	767 850	**Current assets**		83 213	74 137
		Financial assets	9	6 344	7 271
		Loans receivable	7	3 216	
		Loans to associates	6	3 648	550
735 985	629 007	Loans to subsidiaries	4	—	
		Trade and other receivables	10	48 051	31 968
		Taxation	25	1	—
44 748	138 843	Cash and cash equivalents	11	21 953	34 348
2 553 270	3 341 905	**Total assets**		319 058	207 536
		EQUITY AND LIABILITIES			
1 894 397	2 372 374	**Ordinary shareholders' equity**		160 167	122 244
1 561	1 882	Share capital	12	236	219
1 900 689	2 450 638	Share premium		186 062	156 146
(7 853)	(80 146)	Reserves	13	(26 131)	(34 121)
		Non-controlling interest		47	84
1 894 397	2 372 374	**Total equity**		160 214	122 328
656 103	667 549	**Non-current liabilities**		113 223	63 901
620 709	629 910	Preference share liability	14	28 288	34 753
		Long-term borrowings	15	69 937	19 792
		Derivative financial instruments	16	8 565	2 314
		Deferred revenue	17	5 801	4 818
35 394	37 639	Contingent consideration	18	106	2 064
		Deferred taxation	8	526	160
2 770	301 982	**Current liabilities**		45 621	21 308
2 770	3 525	Trade and other payables	19	12 028	8 188
—	298 457	Short-term borrowings	20	29 519	12 529
		Loans from joint venture	5	47	
		Loans from associates	6	1 050	
		Contingent consideration	18	1 691	—
		Taxation	25	1 286	385
		Bank overdrafts		—	206
658 873	969 531	**Total liabilities**		158 844	85 209
2 553 270	3 341 905	**Total equity and liabilities**		319 058	207 537

The notes on pages 37 to 92 are an integral part of these consolidated annual financial statements

STATEMENT OF COMPREHENSIVE INCOME

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

COMPANY 2015 R'000	COMPANY 2016 R'000		Notes	GROUP 2016 £'000	GROUP 2015 £'000
		Revenue	21	28 651	20 731
8 684	—	Other operating income	22	822	1 637
		Profit on disposal of investment properties	23	239	1 359
		Net gain from fair value adjustment on investment property	2	4 613	2 156
		Gain/(loss) on disposal and scrapping of PPE (excluding buildings)	23	19	(134)
(926)	(1 091)	Employee benefit expenses	23	(4 708)	(4 155)
(46)	(138)	Lease expenses	23	(593)	(613)
		Depreciation, impairment and amortisation	1	(608)	(372)
(11 265)	(19 334)	Other operating costs	23	(12 355)	(8 597)
(3 553)	(20 563)	**Trading profit/(loss)**		16 080	12 012
		Gain on disposal of investments		24	1 117
		Impairment of goodwill	3	—	(1 288)
610 302	—	Reversal of impairment loss in subsidiary	4	—	
		Gain on disposal of financial assets	9	1 920	
		Fair value loss on financial assets at fair value through profit or loss	9	(237)	(886)
606 749	(20 563)	**Operating profit/(loss)**	23	17 787	10 955
13 060	53 197	Finance income	24	3 600	809
(10 959)	(61 089)	Finance cost	24	(6 684)	(2 289)
		Earnings from joint venture	5	197	
		Earnings from associated companies	6	381	165
608 850	(28 455)	**Profit before taxation**		15 281	9 640
		Taxation	25	(638)	(605)
608 850	(28 455)	**Profit for the year before non-controlling interest**		14 643	9 035
		Other comprehensive income			
		Items that may be subsequently reclassified to profit or loss			
		Net fair value loss on hedging instruments entered into for cash flow hedges		(163)	(549)
188		Currency translation differences		(3 987)	(161)
609 038	(28 455)	**Total comprehensive income for the year**		10 493	8 325
		Profit attributable to:			
		Owners of the parent		14 280	7 832
		Non-controlling interest		363	1 203
				14 643	9 035
		Total comprehensive income attributable to:			
		Owners of the parent		10 170	7 259
		Non-controlling interest		323	1 066
		Total comprehensive income for the year		10 493	8 325
		Earnings per share (pence): basic	26		
		– basic		7.6	5.1
		– headline earnings (as required by IFRS)		5.2	3.3
		– core headline earnings (as defined by entity)		6.5	5.4
		Number of shares for calculation of earnings per share ('000)		186 818	153 143
		Earnings per share (pence): diluted			
		– diluted		7.6	5.0
		– headline earnings (as required by IFRS)		5.1	3.3
		– core headline earnings (as defined by entity)		6.4	5.4
		Number of shares for calculation of diluted earnings per share ('000)		188 124	155 341

The notes on pages 37 to 92 are an integral part of these consolidated annual financial statements

STATEMENT OF CASH FLOWS

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

COMPANY 2015 R'000	COMPANY 2016 R'000		Notes	GROUP 2016 £'000	GROUP 2015 £'000
		Cash flows from operating activities			
606 749	(20 562)	Operating profit / (loss)		17 787	10 955
(610 302)	665	Non-cash items	27.1	(5 530)	(1 497)
1 065	755	Changes in working capital	27.2	(4 138)	545
(2 488)	(19 142)	Cash (used in)/from operations		8 119	10 003
13 060	38 207	Interest received		3 600	809
(8 008)	(48 720)	Interest paid		(6 233)	(937)
(7 768)	(9 560)	Dividends paid		(495)	(427)
		Taxation paid	27.3	(291)	(414)
(5 204)	(39 215)	**Net cash flows from operating activities**		4 700	9 034
		Cash flows from/ utilised in investing activities			
		Acquisition of investment properties	2.1	(35 610)	(50 723)
		Acquisition of property, plant and equipment	1	(1 161)	(389)
		Business combinations	27.6	(9 899)	625
(20 000)	—	Additional shares purchased in subsidiaries		—	
		Proceeds on disposal of investment properties		5 637	10 044
		Proceeds on disposal of property, plant and equipment		19	39
		Net proceeds on disposal of investment		9 191	(181)
		Dividends received from associates		576	95
		Loans advanced to joint venture		(13 542)	
(800 801)	(160 629)	Loans advanced to group companies		—	
46 165	8 406	Loans repaid by subsidiary undertaking		—	
		Loans repaid by/(advanced to) associate undertaking		(4 571)	(396)
		Borrowings repaid		—	—
		Loans and advances – issued	10.4.1	(69 787)	(55 461)
		Loans and advances – repaid	10.4.1	58 618	44 346
(774 636)	(152 223)	**Net cash flows from/ utilised in investing activities**		(60 529)	(52 001)
		Cash flows from financing activities			
—	372 528	Proceeds from borrowings		65 904	7 549
	(86 994)	Repayment of borrowings		(21 747)	(1 095)
205 286	—	Proceeds from ordinary share issue	27.5	—	11 276
		Share buy-back from minority shareholder	27.4	—	(187)
619 275	—	Proceeds from preference share issue		—	35 674
		Redemption of preference shares		—	(216)
		Dividends to non-controlling interests		(564)	(883)
824 561	285 534	**Net cash from financing activities**		43 593	52 118
44 721	94 095	**Net increase in cash and cash equivalents**		(12 236)	9 151
		Effect of changes in exchange rate		47	(201)
27	44 748	Cash and cash equivalents at beginning of the year		34 142	25 192
44 748	138 843	Cash and cash equivalents at end of the year		21 953	34 142
		Cash and cash equivalents consists of:			
44 748	138 843	Cash and cash equivalents	11	21 953	34 348
		Bank overdrafts		—	(206)
44 748	138 843			21 953	34 142

The notes on pages 37 to 92 are an integral part of these consolidated annual financial statements

STATEMENT OF CHANGES IN EQUITY

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

	Share capital and premium	Foreign currency translation reserve	Other non-distributable reserves	Cash flow hedging reserve	(Accumulated loss)/ retained earnings	Attributable to equity holders of the parent	Non-controlling interest	Total
GROUP £'000								
Balance at 28 February 2014	143 178	5 455	(70)		(49 236)	99 327	612	99 939
Profit for the year					7 832	7 832	1 203	9 035
Issue of ordinary shares by the company	13 614					13 614		13 614
Dividends distributed to shareholders	(427)					(427)		(427)
Transactions with owner of entity					18	18	(642)	(624)
Disposal of subsidiary							(280)	(280)
Acquisition of subsidiaries							211	211
Contingent consideration recognised directly in equity					2 453	2 453		2 453
Distribution to minorities							(883)	(883)
Other comprehensive income for the year		(161)		(412)		(573)	(137)	(710)
Balance at 28 February 2015	156 365	5 294	(70)	(412)	(38 933)	122 244	84	122 328
Profit for the year					14 280	14 280	363	14 643
Issue of ordinary shares by the company	30 428				(2 270)	28 158		28 158
Dividends distributed to shareholders	(495)					(495)		(495)
Transactions with owner of entity							204	204
Disposal of subsidiary								
Acquisition of subsidiaries								
Deferred consideration recognised directly in equity								
Restructure of subsidiary group			90			90		90
Release of foreign currency translation reserve		428			(428)			
Distribution to minorities							(564)	(564)
Other comprehensive income for the year		(3 987)		(123)		(4 110)	(40)	(4 150)
Balance at 29 February 2016	186 298	1 735	20	(535)	(27 351)	160 167	47	160 214
COMPANY R'000								
Balance at 28 February 2014	1 662 917	(9 722)	236		(651 245)	1 002 186		1 002 186
Profit for the year					608 850	608 850		608 850
Issue of ordinary shares by the company	247 101					247 101		247 101
Dividends distributed to shareholders	(7 768)					(7 768)		(7 768)
Disposal of subsidiary								
Acquisition of subsidiaries								
Contingent consideration recognised directly in equity					43 840	43 840		43 840
Other comprehensive income for the year		188				188		188
Balance at 28 February 2015	1 902 250	(9 534)	236		1 445	1 894 397		1 894 397
Profit for the year					(28 455)	(28 455)		(28 455)
Issue of ordinary shares by the company	559 830				(43 838)	515 992		515 992
Dividends distributed to shareholders	(9 560)					(9 560)		(9 560)
Transactions with owner of entity								
Disposal of subsidiary								
Acquisition of subsidiaries								
Deferred consideration recognised directly in equity								
Restructure of subsidiary group								
Distribution to minorities								
Release of foreign currency translation reserve		9 534			(9 534)			
Balance at 29 February 2016	2 452 520	—	236		(80 382)	2 372 374		2 372 374

The notes on pages 37 to 92 are an integral part of these consolidated annual financial statements

ACCOUNTING POLICIES

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

The principal accounting policies applied in the preparation of these consolidated and the company's separate annual financial statements are set out below. These policies have been consistently applied to all years presented in relation to the group's consolidated and the company's separate annual financial statements, unless otherwise stated.

1. Basis of preparation

Statement of compliance

The group's consolidated and the company's separate annual financial statements of the Tradehold group have been prepared in accordance with International Financial Reporting Standards ("IFRS"), IFRIC Interpretations, the SAICA Financial Reporting Guidelines and in the manner required by the Companies Act of South Africa.

Preparation of the consolidated annual financial statements

The consolidated annual financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and financial instruments at fair value through profit and loss.

The preparation of consolidated annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in accounting policies note 30.

Use of adjusted measures

The measure listed below is presented as management believes it to be relevant to the understanding of the group's financial performance. This measure is used for internal performance analysis and provides additional useful information on underlying trends to equity holders. This measure is not a defined term under IFRS and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS.

Trading profit on the face of the statement of comprehensive income, being the group's operating result excluding fair value gains or losses on financial assets at fair value through profit or loss and impairment losses on goodwill.

2. Changes in accounting and disclosures

The group has adopted the following new and amended IFRSs and interpretations as of 1 March 2015:

(a) **Standards, amendments and interpretations effective in 2016 and relevant to the group's operations**

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on applying the consolidation exemption. The amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.
- Amendment to IFRS 11, 'Joint arrangements' on acquisition of an interest in a joint operation. This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.
- Amendments to IAS 1,'Presentation of financial statements' disclosure initiative. In December 2014 the IASB issued amendments to clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of financial statements and the disclosure of accounting policies.
- Amendment to IAS 16, 'Property, plant and equipment' and IAS 38, 'Intangible assets', on depreciation and amortisation. In this amendment the IASB has clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.
- Amendments to IAS 27, 'Separate financial statements' on equity accounting. In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

Annual Improvements 2010-2012

- Amendment to IFRS 8, 'Operating segments'. The standard is amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics. The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.
- Amendment to IFRS 13, 'Fair value measurement'. When IFRS 13 was published, paragraphs B5.4.12 of IFRS 9 and AG79 of IAS 39 were deleted as consequential amendments. This led to a concern that entities no longer had the ability to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial. The IASB has amended the basis for conclusions of IFRS 13 to clarify that it did not intend to remove the ability to measure short-term receivables and payables at invoice amounts in such cases.
- Amendment to IAS 16, 'Property, plant and equipment', and IAS 38, 'Intangible assets' Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount.

The split between gross carrying amount and accumulated depreciation is treated in one of the following ways: (i) either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or (ii) the accumulated depreciation is eliminated against the gross.

- Amendment to IAS 24, 'Related party disclosures' The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity ('the management entity')

Annual Improvements 2011-2013

- Amendment to the Basis of Conclusion to IFRS 1, 'First-time adoption of International Financial Reporting Standards' The basis for conclusions on IFRS 1 is amended to clarify that, where a new version of a standard is not yet mandatory but is available for early adoption; a first-time adopter can use either the old or the new version, provided the same standard is applied in all periods presented.
- Amendment to IFRS 13, 'Fair value measurement' The amendment clarifies that the portfolio exception in IFRS 13, which allows an entity to measure the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts (including non-financial contracts) within the scope of IAS 39 or IFRS 9.
- Amendment to IAS 40, 'Investment property' The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive. The guidance in IAS 40 assists preparers to distinguish between investment property and owner-occupied property. Preparers also need to refer to the guidance in IFRS 3 to determine whether the acquisition of an investment property is a business combination.
- Amendment to IFRS 3, 'Business combinations' The standard is amended to clarify that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11. The amendment also clarifies that the scope exemption only applies in the financial statements of the joint arrangement itself.

Annual Improvements 2014

- Amendment to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' This is an amendment to the changes in methods of disposal – Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.

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- Amendment to IFRS 7 – 'Financial Instruments: Disclosures' Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose '[…] an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the entity since the end of the last annual reporting period'. Therefore, if the IFRS 7 disclosures provide a significant update to the information reported in the most recent annual report, the Board would expect the disclosures to be included in the entity's condensed interim financial report.
- Amendment to IFRS 7 – 'Financial Instruments: Disclosures' Servicing contracts – The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in paragraphs IFRS 7.B30 and IFRS 7.42C in order to assess whether the disclosures are required.
- Amendment to IAS 34 – 'Interim Financial Reporting' Disclosure of information 'elsewhere in the interim financial report'. The amendment states that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the greater interim financial report (e.g., in the management commentary or risk report). The Board specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

The adoption of these amendments had no significant impact on the group's results.

(b) Standards, amendments and interpretations to existing standards effective in 2016 but not relevant to the group's operations

- Amendment to IAS 19 'Employee benefits', regarding defined benefit plans. These narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.
- IFRS 14 – Regulatory deferral accounts. The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants. In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant include examples of non-bearer plants and remove current examples of bearer plants from IAS 41.

Annual Improvements 2014

- Amendment to IAS 19 – 'Employee Benefits' Discount rate: regional market issue – The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the group

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2016 or later periods, but the group has not early adopted them:

- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28, 'Investments in associates and joint ventures' on sale or contribution of assets (effective date initially 1 January 2016 postponed)
- Amendment to IAS 12 – Income taxes (effective date 1 January 2017)
- Amendment to IAS 7 – Cash flow statements (effective date 1 January 2017)
- IFRS 15 – Revenue from contracts with customers. (effective date 1 January 2018)
- IFRS 9 – Financial Instruments (2009 &2010) Financial liabilities, Derecognition of financial instruments, Financial assets, General hedge accounting (effective date 1 January 2018)
- Amendment to IFRS 9 - 'Financial instruments', on general hedge accounting (effective 1 January 2018)
- IFRS 16 – Leases (effective date 1 January 2019)

Management is assessing the impact of these standards, amendments and interpretations on the group's operations on an ongoing basis. Management has assessed that no significant impact is expected on the group's reported results as result of the adoption of the above standards and amendments to existing standards.

3. Consolidation

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

The group uses the acquisition method of accounting to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement.

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for in equity.

Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

Investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

b) Transaction with non-controlling interests

The group treats transactions with non-controlling interests that do not result in loss of control as equity transactions – that is as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net

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assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) **Disposal of subsidiaries**

When the group ceases to have control or significant influence, any retained interest in the entity is remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

d) **Associates**

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not controlled or joint controlled over those policies.

An investment in an associate is accounted for using the equity method, except when the investment is classified as held-for-sale in accordance with IFRS 5 Non-current assets held-for-sale and discontinued operations. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

Losses in an associate in excess of the group's interest in that associate are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Any goodwill on acquisition of an associate is included in the carrying amount of the investment, however, a gain on acquisition is recognised immediately in profit or loss.

Profits or losses on transactions between the group and an associate are eliminated to the extent of the group's interest therein.

When the group reduces its level of significant influence or loses significant influence, the group proportionately reclassifies the related items which were previously accumulated in equity through other comprehensive income to profit or loss as a reclassification adjustment. In such cases, if an investment remains, that investment is measured to fair value, with the fair value adjustment being recognised in profit or loss as part of the gain or loss on disposal.

e) **Joint arrangements**

Joint arrangements are those entities over whose activities the Group has joint control, established by contractual agreement.

Interests in joint arrangements are accounted for as either a joint venture or a joint operation as permitted by IFRS 11 'Joint Arrangements'. A joint arrangement is accounted for as a joint venture when the Group, along with the other parties that have joint control of the arrangement, have rights to the net assets of the arrangement. Joint ventures are equity accounted in accordance with IAS 28 (revised). The equity method requires the Group's share of the joint venture's post-tax profit or loss for the year to be presented separately in the income statement and the Group's share of the joint venture's net assets to be presented separately in the balance sheet. Joint ventures with net liabilities are carried at zero value in the balance sheet where there is no commitment to fund the deficit and any distributions are included in the consolidated income statement for the year.

A joint arrangement is accounted for as a joint operation when the Group, along with the parties that have joint control of the arrangement, have rights to the assets and obligations for the liabilities relating to the arrangement. Joint operations are accounted for by including the Group's share of the assets, liabilities, income and expenses on a line-by-line basis.

Intra-group balances and any unrealised gains and losses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with joint ventures are eliminated to the extent of the Group's interest in the joint venture concerned. Unrealised losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

4. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The group has determined that its chief operating decision maker is the executive Board of directors of the group.

5. Foreign currency translation

(a) Functional and presentation currency

Items included in the consolidated annual financial statements of each of the group's entities are measured using the currency of the primary economic environment in which each of the entities operate (the 'functional currency'). The consolidated annual financial statements are presented in Pound Sterling. The company's presentation and functional currency is South African Rand.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss for the year.

Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

(c) Group companies

The results and financial position of all the group entities, including branches (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is partially disposed of or sold, such exchange differences are recognised in profit and loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

6. Investment property

Property that is held for long-term rental yields or for capital appreciation, and that is not occupied by the companies in the consolidated group, is classified as investment property. As from 1 March 2009, investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods, such as external valuers, or internal valuations based on rental income from current leases and assumptions about rental income from future leases in light of current market conditions (recent prices on less active markets or discounted cash flow projections). Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consoli-

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dated annual financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property. Some of those outflows are recognised as a liability, including finance lease liabilities in respect of leasehold land classified as investment property; others, including contingent rent payments, are not recognised in the consolidated annual financial statements.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If a valuation obtained for a property held under a lease is net of all payments expected to be made, any related lease liability recognised separately in the statement of financial position is added back to arrive at the carrying value of the investment property for accounting purposes.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the group disposes of a property at fair value in an arm's length transaction, the difference between the carrying value immediately prior to the sale and the transaction price is recorded in profit or loss as a gain or loss on disposal of investment property.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner-occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under property, plant and equipment. Any resulting increase in the carrying amount of the property is recognised in profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increases directly to revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to profit or loss.

7. Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Cost of an item of property, plant and equipment includes its purchase price and any directly attributable costs. Cost includes the cost of replacing part of an existing property, plant and equipment at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of property, plant and equipment.

Borrowing costs incurred for the purpose of acquiring, constructing or producing a qualifying property, plant and equipment are capitalised as part of its cost. A qualifying property, plant and equipment is an asset that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs are capitalised while acquisition, construction or production is actively underway and ceases once the asset is substantially complete or suspended if the development of the asset is suspended.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets' estimated useful lives, as follows:

- Land: Not depreciated
- Buildings: 50 years
- Machinery: 4 – 7 years
- Equipment: 7 – 10 years
- Vehicles: 4 – 5 years
- Improvements to leasehold property over the shorter of the useful life of the asset and the lease term

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year-end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are included in the profit or loss.

8. Leases

(a) A group company is the lessee in an operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by another party, the lessor, are classified as operating leases. Payments, including prepayments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties. See note 6 for the accounting policy relating to land held on an operating lease and used as investment property.

(b) A group company is the lessor in an operating lease

Properties leased out under operating leases are included in investment property in the statement of financial position (note 2). See accounting policy note 26(a) for the recognition of rental income.

(c) A group company is the lessor – fees paid in connection with arranging leases and lease incentives

The group makes payments to agents for services in connection with negotiating lease contracts with the group's lessees. The letting fees are capitalised within the carrying amount of the related investment property and amortised over the lease term. Lease incentives are recognised as a reduction of rental income on a straight-line basis over the lease term.

9. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment in the respective subsidiary's functional currency and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, identified according to operating segment.

10. Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

11. Financial instruments

(a) Classification

The group classifies its financial instruments in the following categories: at fair value through profit or loss, loans and receivables and measured at amortised cost. The classification depends on the purpose for which the financial instrument were acquired. Management determines the classification of its financial instruments at initial recognition. Classification is re-assessed on an annual basis, except for derivatives, which shall not be classified out of the fair value through profit or loss category.

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Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months, otherwise they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprises, loans receivable, trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities at fair value through profit or loss

Financial liabilities through profit or loss include financial liabilities designated upon initial recognition as fair value through profit or loss.

The category also includes derivative financial instruments entered by the group that are not designated as hedging instruments in hedge relationships as defined by IAS 39.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS39 are satisfied. The group has designated one of its swaps as fair value through profit or loss.

Financial liabilities measured at amortised cost

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process. Amortised cost is calculated taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included as interest expense in the statement of comprehensive income.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as interest expense.

This category applies to long- and short-term borrowings, preference shares, loans to subsidiaries, bank overdrafts, deferred revenue, deferred consideration and trade and other payables on the face of the statement of financial position.

(b) Recognition and measurement

Regular purchases and sales/purchases of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets/liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Financial assets/liabilities at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest rate method.

Gains or losses arising from changes in the fair value of the 'financial assets/liabilities at fair value through profit or loss' category are presented in the profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of other income when the group's right to receive payments is established.

Financial liabilities measured at amortised cost are initially measured at fair value.

(c) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Offsetting is currently enforceable and contingent on a future event.

(d) **Impairment of financial assets**

Assets carried at amortised cost

The group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The group first assesses whether objective evidence of impairment exists.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

12. Loans receivable

Loans receivable include loans to subsidiaries and shareholders and are recognised initially at fair value plus direct transaction costs and are subsequently measured at amortised cost using the effective interest method, less provision for impairment.

13. Trade and other receivables

Trade receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

Included in trade and other receivables are loans and advances. Loans and advances are non-derivative financial assets with fixed or determinable payments. Loans and advances are measured at amortised cost using the effective interest rate method, less any impairment losses. Initiation fees received that are integral to the effective rate are capitalised to the value of the loans and advances and amortised through interest income as part of the effective interest rate.

14. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

15. Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

16. Trade and other payables

Trade payables and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

ACCOUNTING POLICIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

17. Derivative financial instruments and hedging activities

The group uses derivative financial instruments to hedge its exposure to foreign exchange, interest rate and commodity risks arising from operating, financing and investing activities. The group does not hold or issue derivative financial instruments for trading purposes; however, if derivatives do not qualify for hedge accounting they are accounted for as such.

Where derivatives do not qualify for hedge accounting, any gains or losses on remeasurement are immediately recognised in the group statement of comprehensive income. Where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the hedge relationship and the item being hedged. In order to qualify for hedge accounting, the group is required to document from inception the relationship between the item being hedged and the hedging instrument. The group is also required to document and demonstrate an assessment of the relationship between the hedged item and the hedging instrument, which shows that the hedge will be highly effective on an ongoing basis. This effectiveness testing is performed at each period end to ensure that the hedge remains highly effective.

The group designates a certain derivative as a hedge of a particular risk associated with a recognised liability. This is considered to be a cash flow hedge.

The fair values of various derivative instruments used for hedging purposes are disclosed in note 16.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest rate method is used is amortised to profit or loss over the period to maturity.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised to other comprehensive income and accumulated in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within finance costs.

Amounts accumulated in equity are reclassified to other comprehensive income to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place).

However, when the forecast transaction that is hedged results in the recognition of a non-financial item (for example, inventory or fixed assets) the gains and losses previously deferred in equity are transferred from equity in other comprehensive income and included in the initial measurement of the cost of the asset.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised in profit or loss as a reclassification adjustment through to other comprehensive income when the forecast transaction is ultimately recognised in profit or loss.

When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately recognised in profit or loss as a reclassification adjustment through to other comprehensive income.

18. Deferred revenue

Deferred revenue is initially measured at fair value, and is subsequently measured at amortised cost, using the effective interest rate method.

19. Deferred consideration

Deferred consideration is initially measured at fair value, and is subsequently measured at amortised cost, using the effective interest rate method.

20. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in profit or loss as interest expense.

21. Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all the attached conditions.

Government grants relating to costs are deferred and recognised in the income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating investment property under construction are deducted from the asset's carrying amount over the period of the works.

22. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Withholding tax on dividends

STC was abolished with effect from 1 April 2012 and replaced by a dividends tax, which is not levied on the company but on the beneficial owner of the share and accordingly does not require recognition in profit or loss. Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

23. Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of these assets, until such time as the assets are substantially ready for intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

24. Employee benefits

(a) Pensions

The group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. Payments to defined

ACCOUNTING POLICIES (CONTINUED)

contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(b) Short-term employee benefits and compensation absences

Wages, salaries, paid annual leave and sick leave, bonuses, and non-monetary benefits (such as health services and childcare services) are recognised as employee benefit expense and accrued when the associated services are rendered by the employees of the group.

(c) Profit-sharing and bonus payments

The group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the company's shareholders after certain adjustments. The group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(d) Termination benefits

Termination benefits are payable when employment is terminated by the group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The group recognises termination benefits at the earlier of the following dates: (i) when the group can no longer withdraw the offer of those benefits; and (ii) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

25. Provisions

Provisions for legal claims are recognised when: the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions are not recognised for future operating leases.

Where the group, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

A provision for onerous contracts is recognised when the expected benefits to be derived by the group from a contract is lower than the unavoidable costs of meeting its obligations under the contract (onerous contracts).

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

26. Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the group.

The group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the group's activities as described below.

Revenue includes rental income, initiation fees, interest income, other fee income and service charges and revenue from hotel operations.

(a) Rental income

Rental income from operating leases is recognised on a straight-line basis over the lease term. When the group provides incentives to its tenants, the cost of incentives is recognised over the lease term, on a straight-line basis, as a reduction of rental income.

Service and management charges are recognised in the accounting period in which the services are rendered. When the group is acting as an agent, the commission rather than gross income is recorded as revenue.

Surrender premiums are recognised as income in the period they become receivable from the tenant.

(b) Revenue from hotel operations

Revenue from hotel operations includes the rental of rooms and food and beverage sales. Revenue is recognised when rooms are occupied and food and beverages are sold.

(c) Initiation fees
Initiation fees are deferred and recognised over the term of the contract.

(d) Interest income
Interest income is in respect of the secured and unsecured lending operations and is recognised using the effective interest rate method. When a loan and receivable is impaired, the group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(e) Dividend income
Dividend income is recognised when the right to receive payment is established.

(f) Fee and commission revenue
Fee and commission revenue, including maintenance fees, administration fees and other related fees are recognised as the related services are performed.

27. Dividend distribution
Dividend distribution to the company's shareholders is recognised as a liability in the group's consolidated annual financial statements in the period in which the dividends are declared.

28. Interest in subsidiaries
All interest free loans having no fixed repayment period which are provided to subsidiaries with intention to provide a long-term source of additional capital are measured at cost. The entity assesses at the end of each year if the investment is impaired. Any impairment charge is recognised in the statement of comprehensive income.

29. Earnings per share
Core headline earnings exclude once-off and non-operating items. Management believes that it is a useful measure for shareholders of the group's sustainable operating performance. However, this is not a defined term under IFRS and may not be comparable with similarly titled measures reported by other companies.

30. Critical accounting estimates, assumptions and judgements
Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Principal assumptions underlying management's estimation of fair value of investment properties
The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the group determines the amount within a range of reasonable fair value estimates. In making its judgement the group considers information from a variety of sources including:

- Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; and
- Discounted cash flow projections based on reliable estimates of future cash flows, derived from the terms of any existing leases and other contracts and (where possible) from external evidence such as current market rents for similar properties in the same location and condition, and using discount rates that reflect current market assessments of the uncertainty in the amount and timing of the cash flows.

If information on current or recent prices is not available, the fair values of investment properties are determined using discounted cash flow valuation techniques. The group used assumptions that are mainly based on market conditions existing at each balance sheet date.

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contracted rentals, expected future market rentals, lease renewals, maintenance requirements and appropriate discount and capi-

ACCOUNTING POLICIES (CONTINUED)

talisation rates. These valuations are regularly compared to actual market yield data, actual transactions by the group and those reported by the market.

The expected future market rentals are determined with reference to current market rentals for similar properties in the same location and condition.

Refer to note 32.9 where a sensitivity analysis has been performed.

(b) Income taxes

The group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome of any matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

(c) Estimated impairment of goodwill

The group tested annually whether goodwill suffered any impairment, in accordance with accounting policy 9. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Details of the impairment loss calculation are set out in note 3.

(d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The group has used discounted cash flow analysis for various interest rate swaps that are not traded in active markets.

Details of the fair value calculation of derivatives are set out in note 16.

(e) Estimation of deferred consideration

The value of the deferred consideration is based on the group's best estimate on the conditions existing at year-end.

Refer to note 18 for estimates used to determine the value of the deferred consideration.

(f) Other areas of significant judgement

The following other areas of significant judgement have been detailed in the notes to these annual financial statements:

- Impairment of property, plant and equipment (refer to note 1)
- Impairment of loans receivable (refer to note 10)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		Owned land and buildings	Machinery, equipment and vehicles	Improve-ments to leasehold property	Total
1	**Property, plant and equipment**				
1.1	£'000				
1.1.1	Cost				
	At 28 February 2015	5 360	1 516	18	6 894
	Additions		1 161		1 161
	Acquired through business combinations		2 091	2	2 093
	Foreign currency translation differences		20		20
	Disposals and scrappings		(18)		(18)
	At 29 February 2016	5 360	4 770	20	10 150
1.1.2	Accumulated depreciation				
	At 28 February 2015	560	1 130	18	1 708
	Charge for the year	100	508		608
	Acquired through business combinations				
	Foreign currency translation differences		(8)	—	(8)
	Disposals and scrappings		(18)		(18)
	At 29 February 2016	660	1 612	18	2 290
1.1.3	Book value at 29 February 2016	4 700	3 158	2	7 860
1.2	£'000				
1.2.1	Cost				
	At 28 February 2014	5 360	1 617	17	6 994
	Additions		381		381
	Acquired through business combinations		252	1	253
	Foreign currency translation differences		10		10
	Disposal of subsidiary		(273)		(273)
	Disposals and scrappings		(471)		(471)
	At 28 February 2015	5 360	1 516	18	6 894
1.2.2	Accumulated depreciation				
	At 28 February 2014	460	1 180	17	1 657
	Charge for the year	100	252	1	353
	Acquired through business combinations		156		156
	Foreign currency translation differences		6		6
	Disposal of subsidiary		(166)		(166)
	Disposals and scrappings		(298)		(298)
	At 28 February 2015	560	1 130	18	1 708
1.2.3	Book value at 28 February 2015	4 800	386		5 186

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP	
		2016 £'000	2015 £'000
2	**Investment properties**		
2.1	At beginning of year	120 552	72 536
	Additions	35 610	51 700
	Acquired through business combinations	45 789	2 845
	Capitalisation of borrowing costs – refer note 2.7	504	
	Foreign currency translation differences	(4 791)	
	Disposals	(5 398)	(8 685)
	Net gain from fair value adjustments on investment property	4 613	2 156
	At end of year	196 879	120 552

Investment properties are valued by adopting the "investment method" of valuation. This approach involves applying capitalisation yields to current and future rental streams net of income voids arising from vacancies or rent free period and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers professional judgement and market observation. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions.

The key unobservable input relates to the rental yield and a sensitivity has been presented within note 32.9

2.2 UK investment properties

2.2.1 A register containing details is available for inspection at the registered offices of Moorgarth Holdings Ltd.

2.2.2 External valuers Avison Young LLP and Jones Lang LaSalle Ltd, who both hold recognised and relevant professional qualifications, valued property located in England & Wales representing £37.2 million and £3.9 million of the portfolio respectively.

External valuers CBRE Ltd, who hold recognised and relevant professional qualifications, valued property located in Scotland representing £11.9 million of the portfolio.

New acquisitions and developments purchased in 2016 represent £6.6 million of the portfolio (2015: £43.3 million).

The remainder were valued by the directors following discussions with appropriate qualified employees of the group's bankers and information received from agents and auctioneers.

The valuations were performed in accordance with a market value analysis based on rental yields of between 1.0% and 26.2% (2015: yields between 1.0% and 17.5%).

2.3 Namibia investment properties

2.3.1 A register containing details is available for inspection at the registered offices of Nguni Property Fund Ltd.

2.3.2 External valuers; DDP Valuers (Pty) Ltd, who hold recognised and relevant professional qualifications, valued property located in Namibia representing £25.5 million of the portfolio as at 1 December 2015. The directors valued the property based on the external valuers value and an increase of 1.75% from 01 December to 29 February 2016.

The remainder were valued by the directors following discussions with appropriate qualified employees of the group's bankers and information received from agents and auctioneers.

The valuations were performed in accordance with a market value analysis based on rental yields of between 9% and 9.5% (2015: n/a).

2.4 Africa excluding Namibia investment properties

2.4.1 A register containing details is available for inspection at the registered offices of Tradehold Africa Limited.

2.4.2 External valuers, DDP valuers, who hold recognised and relevant professional qualifications valued property located in Zambia representing £5.3 million of the portfolio, properties in Botswana representing £2.9 million of the portfolio and a property in Mozambique representing £1.7 million of the portfolio.

New acquisitions and developments purchased in 2016 represent £25.7 million of the portfolio (2015: £9.3 million).

The remainder were valued by the directors following discussions with appropriate qualified employees of the group's bankers and information received from agents and auctioneers.

The valuations were performed in accordance with a market value analysis based on rental yields of between 9.5% and 10% (2015: n/a).

		GROUP	
		2016 £'000	2015 £'000
2.5	Investment properties with a carrying amount that were vacant at year-end.	1 150	1 150
2.6	Income and expenditure relating to investment properties		
	Rental income	12 034	8 063
	Direct operating expenditure	5 023	3 218
	Direct operating expenses recognised in profit or loss include relating to investment property that was unlet.	86	116

The group obtained a government grant of £1 071 831 (2015: £104 695) for the Bolton development, for the specified purpose of works to the vaults and building the cinema. The grant has been deducted from the cost of development over the period of the works.

2.7 The borrowing costs were capitalised at a rate of 6%.

2.8 As significant judgement is exercised by management in determining the fair value using inputs that are based on unobservable market data, the investment is classified as a Level 3 asset – refer note 32.9

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP 2016 £'000	GROUP 2015 £'000
3	**Goodwill**		
3.1	Cost	12 806	3 594
	Accumulated impairment losses	(1 048)	(1 288)
		11 758	2 306
3.2	Cost		
	Balance at beginning of year	3 594	—
	Acquired through business combinations	9 948	3 566
	Foreign currency translation movements	(736)	28
	Balance at end of year	12 806	3 594
3.3	Accumulated impairment losses		
	Balance at beginning of year	(1 288)	—
	Foreign currency translation movements	240	
	Impairment losses recognised in the year	—	(1 288)
		(1 048)	(1 288)

3.4 Allocation of goodwill to cash-generating units

Management reviews the business performance based on geography and type of business. It has identified the United Kingdom and South Africa as the main geographies. There are property segments in the UK, and short-term lending in South Africa. Goodwill is monitored by management at the operating segment level. The following is a summary of the goodwill allocation for each applicable operating segment:

2016	Opening	Additions	Impairment	Foreign currency translation movements	Closing
SA short-term lending	2 287	26	—	(428)	1 885
UK property	—	9 586	—	—	9 586
Other	19	336	—	(68)	287
Total	2 306	9 948	—	(496)	11 758

2015	Opening	Additions	Impairment	Foreign currence translation movements	Closing
SA short-term lending	—	3 575	(1 288)	—	2 287
Other	—	19	—	—	19
Total	—	3 594	(1 288)	—	2 306

3.4.1 The provisional goodwill allocated to the UK property segment has been determined to be the serviced office business owned by subsidiaries acquired by the Group, mainly relating to the Ventia acquisition disclosed in note 27.6.2

No impairment charge arose as a result of the impairment test. The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five year period are extrapolated using the estimated sustainable growth rates stated below.

	GROUP
	2016
	%
The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:	
WACC	10.50%
Growth rate	2.50%
Sustainable growth rate	0.50%
The principal assumptions where impairment occurs are as follows:	
WACC	11.80%
Growth rate	(11.00%)
Sustainable growth rate	(1.50%)

3.4.2 The goodwill allocated to the SA short-term lending segment relates to the operations of Mettle Investments (Pty) Limited and its subsidiaries, mainly relating to the acquisition by the Group in the 2015 financial year.

No impairment charge arose as a result of the impairment test (2015: £1.288 million). The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the sustainable growth rates stated below.

	GROUP	
	2016	2015
	%	%
The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:		
WACC	15.28%	15.49%
Growth rate	8.50%	8.00%
Sustainable growth rate	2.10%	2.10%
Operating profit margin (% of revenue)	25.68%	25.14%
The principal assumptions where impairment occurs are as follows:		
WACC	15.60%	
Growth rate	7.60%	
Sustainable growth rate	1.40%	

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		COMPANY 2016 R'000	COMPANY 2015 R'000
4	**Interest in subsidiaries**		
4.1	Consisting of:		
	Shares in Tradegro Holdings (Pty) Ltd at cost	7 838	7 838
	Shares in Mettle Investments (Pty) Ltd at cost	97 303	97 142
	Amount owing by Tradegro Holdings (Pty) Ltd	2 027 579	1 597 482
	Amount owing by Mettle Investments (Pty) Ltd	149 106	36 098
	Accumulated impairment of loan to subsidiary		
		2 281 826	1 738 560
	As part of a subordination agreement the company has deferred its right to claim payment of the amount owed by Tradegro Holdings (Pty) Ltd until the fair value of the assets exceeds its liabilities. The loan is unsecured and interest free and repayable on demand.		
	R27.8 million of the loan to Mettle Investments (Pty) Ltd bears interest at the South African Bank prime rate less 2.75%, is unsecured and is repayable on 31 May 2019. The balance of R121.3 million is interest free, unsecured and repayable on demand.		
4.2	Loan (from)/to subsidiary company – Tradegro S.àr.l	921 236	735 985
	R630.6 million of the loan to Tradegro S.àr.l bears interest at a rate of 72% of 3 month ZAR JIBAR plus 2.65%, payable quarterly, and is repayable on 1 March 2018. The balance of R290.6 million is interest free and a direct foreign investment.		
4.3	Accumulated impairment of loan to subsidiary		
	Balance at beginning of year	—	610 302
	Impairment losses reversed in the year	—	(610 302)
		—	—

The impairment was reversed during 2015 due to the improved financial results of the subsidiaries.

	GROUP 2016 £'000	2015 £'000

5 Investments in joint venture

	2016 £'000	2015 £'000
5.1 Consisting of:		
Shares at cost plus attributable retained income	203	
Loans	13 543	
	13 746	
5.2 Shares at cost plus attributable retained income		
At beginning of the year		
Acquisition of joint venture through business combination	6	
Share of profit	197	
Dividends received	—	
Foreign currency translation differences	—	
Carrying value	203	
5.3 Loans due from joint arrangements		
Inception (Reading) S.àr.l	13 590	
Moorgarth Group Ltd has provided an unsecured £13 000 000 loan to Inception (Reading) Sàrl. Interest accrues daily at an annual rate of 7% +3 month UK LIBOR, payable quarterly. The full capital amount is due for repayment on 28 May 2020.		
Mega Centre JV	(47)	
	13 543	

5.4 Details of joint ventures

The joint venture listed below has share capital consisting solely of ordinary shares, which is held directly by the group, and is accounted for using the equity method:

Name of company	Place of business/ country of incorporation	% ownership interest 2016	% ownership interest 2015	Carrying amount £'000 2016	Carrying amount £'000 2015
Inception (Reading) S.àr.l	UK / Luxembourg	50	—	203	—

The joint venture is a private company and there is no quoted market price available for its shares.

5.5 Commitments and contingent liabilities in respect of joint venture

There are no contingent liabilities relating to the group's interest in joint ventures.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

5 Investments in joint venture (continued)

5.6 Summarised financial information per joint venture entity

Set out below is the summarised financial information for the group's interest in joint ventures, which are accounted for using the equity method.

	GROUP	
Summarised balance sheet as at 29 February	2016 £'000	2015 £'000
	Inception (Reading) S.àr.l	
Current		
Cash and cash equivalents	1 928	—
Other current assets (excluding cash)	1 258	—
Total current assets	3 186	—
Financial liabilities (excluding trade payables)	(1 432)	—
Other current liabilities (including trade payables)	(244)	—
Total current liabilities	(1 676)	—
Non-current		
Assets	65 455	—
	65 455	—
Financial liabilities	(66 557)	—
Other liabilities	(908)	—
Total non-current liabilities	(67 465)	—
Net assets	(500)	—
Summarised statement of comprehensive income		
Revenue	3 892	—
Depreciation and amortisation	—	—
Interest income	2	—
Income expense	(3 497)	—
Pre-tax profit from continuing operations	397	—
Income tax expense	(2)	—
Post-tax profit from continuing operations	395	
Post-tax profit from discontinued operations	—	
Other comprehensive income	(908)	—
Total comprehensive income	(513)	—
Dividends received from joint venture	—	
Reconciliation to carrying value		
Opening net assets	13	—
Profit for the period	395	—
Other comprehensive income	(908)	—
Closing net assets	(500)	
Interest in Joint venture @ 50%	(250)	
Add back: other comprehensive income	453	—
Carrying value	203	

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the group and the joint venture.

5.7 The joint operation listed below is accounted for by proportionate consolidation on a line by line basis:

Name of joint operation	Place of business/ country of incorporation	% ownership interest 2016	% ownership interest 2015	Value of net assets £'000 2016	Value of net assets £'000 2015
Mega Centre JV	Namibia	50	—		—

5.7.1 Set out below is the summarised financial information for the group's interest in the joint operation, which are proportionately consolidated.

	GROUP	
Summarised balance sheet as at 29 February	2016 £'000	2015 £'000
Current		
Cash and cash equivalents	100	—
Other current assets (excluding cash)	663	—
Total current assets	763	—
Financial liabilities (excluding trade payables)	(7 501)	—
Other current liabilities (including trade payables)	(419)	—
Total current liabilities	(7 920)	—
Non-current		
Assets	8 600	—
	8 600	—
Financial liabilities	—	—
Other liabilities	—	—
Total non-current liabilities	—	—
		—
Net assets	1 443	—

Summarised statement of comprehensive income for the year ended 29 February	2016	2015
Revenue	2 079	—
Depreciation and amortisation	—	—
Interest income	1	—
Income expense	(731)	—
Pre-tax profit from continuing operations	1 349	—
Income tax expense	—	—
Post-tax profit from continuing operations	1 349	—
Post-tax profit from discontinued operations	—	—
Other comprehensive income	—	—
Total comprehensive income	1 349	—
Dividends received from joint venture	—	—

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP 2016 £'000	GROUP 2015 £'000
6	**Investments in associates**		
6.1	Consisting of:		
	Shares at cost plus attributable retained income	2 018	1 544
	Loans due from associates	5 120	550
		7 138	2 094
	Loans due to associates	(1 050)	
		6 088	2 094
6.2	Shares at cost plus attributable retained income		
	At beginning of the year	1 544	—
	Acquisition of associates through business combination	—	392
	Share of profit	381	165
	Changes in ownership interest in associates	—	49
	Changes in ownership interest in subsidiaries	—	1 192
	Dividends received	(576)	(95)
	Foreign currency translation differences	669	(159)
		2 018	1 544
6.3	Loans due from/(to) associates		
	Mettle Solar (Pty) Ltd	1 472	294
	The loan is unsecured. An amount of £247 000 of the loan capital accrues interest at the South African prime interest rate, with the balance of the loan accruing interest at prime plus 3%. The loan is not repayable within the next year.		
	Mettle Medical Finance (Pty) Ltd	—	51
	The loan is unsecured, subordinated and accrued interest at prime until end of August 2014, thereafter it is interest free. There is no fixed terms of repayment. Mettle Medical Finance (Pty) Ltd became a subsidiary in June 2015.		
	Gondospot (Pty) Ltd	—	199
	Mezz Capital Solutions (Pty) Ltd	2	6
	The unsecured loan is interest free and has no fixed terms of repayment.		
	Steps JV (owned by Sand City 34 (Pty) Ltd)	1 478	—
	The loan is unsecured, bears no interest and is repayable on demand.		
	Dunes Mall (Pty) Ltd	2 168	—
	The loan is unsecured, bears no interest and is repayable on demand.		
	Sand City 34 (Pty) Ltd	(1 050)	—
	The loan is unsecured, bears no interest and is repayable on demand.		
		4 070	550

6.4 Details of associates

The group's associates listed below have share capital consisting solely of ordinary shares, which is held directly by the group, and are all measured in accordance with the equity method:

Name of company	Place of business/ country of incorporation	% owner-ship interest 2016	% owner-ship interest 2015	Carrying amount 2016	Carrying amount 2015
Impex Treasury Solutions (Pty) Ltd	South Africa	33.3	33.3	194	223
Gondotrix (Pty) Ltd	South Africa	50.0	50.0	61	61
Lendcor (Pty) Ltd	South Africa	49.9		1 166	
Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	South Africa	49.9	49.9	551	1 237
Mettle Solar (Pty) Ltd and its subsidiaries	South Africa	55.0	55.0	—	—
Mezz Capital Solutions (Pty) Ltd	South Africa	18.2	18.2	19	23
Mettle Medical Finance (Pty) Ltd	South Africa	—	50.0	—	—
Sand City Investment Thirty Four (Pty) Ltd	Namibia	50.0	—	27	—
Dunes Mall (Pty) Ltd	Namibia	50.0	—	—	—
				2 018	1 544

The carrying value of the associates are shown net of impairment losses. Goodwill of £1 011 238 (2015: £790 818) is included in the carrying amounts of the associates.

The associates are private companies and there is no quoted market price available for their shares.

There are no contingent liabilities relating to the group's interest in the associates.

Lendcor (Pty) Ltd

The group holds a minority interest in Lendcor (Pty) Ltd. The terms of the shareholders agreement states that a majority of the directors cannot be appointed by the Tradehold group and as such the group cannot direct the operations of Lendcor (Pty) Limited

Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)

The group holds a minority interest in Lendcor Holdings (Pty) Limited (previously Gondospot (Pty) Ltd). The terms of the shareholders agreement states that a majority of the directors cannot be appointed by the Tradehold group and as such the group cannot direct the operations of Lendcor Holdings (Pty) Limited (previously Gondospot (Pty) Ltd).

Mettle Solar (Pty) Ltd and its subsidiaries

In terms of the shareholders agreement the group is only represented by 2 of the 6 directors on the Mettle Solar (Pty) Ltd board and in terms of the aforementioned agreement all directors resolutions require 75% of the directors' votes in order to be approved. As such the group cannot direct the operations of Mettle Solar (Pty) Ltd.

Gondotrix (Pty) Ltd

Control of the entity is shared as each shareholder is able to appoint one director on the board. Decision making is therefore shared.

Sand City Investment Thirty Four (Pty) Ltd

Currently there is no contractual arrangement that outlines control of Sand City Investment Thirty Four (Pty) Ltd. Shareholders therefore share control.

Dunes Mall (Pty) Ltd

Currently there is no contractual arrangement that outlines control of Dunes Mall (Pty) Ltd. Shareholders therefore share control.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

6 Investments in associates (continued)

6.5 Summarised financial information for associates

The table below provides summarised financial information for associates that are material to the group.

Summarised financial information for the year ended 29 February 2016:

	Lendcor (Pty) Ltd	Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	Sand City Investment Thirty Four (Pty) Ltd	Dunes Mall (Pty) Ltd	Total
Summarised balance sheet					
Current					
Cash and cash equivalents	257	1	90	27	375
Other current assets (excluding cash)	3 128	—	494	293	3 915
Total current assets	3 385	1	584	320	4 290
Financial liabilities (excluding trade payables)	(1 381)	—	(3 657)	(892)	(5 930)
Other current liabilities (including trade payables)	(136)	—	(235)	(81)	(452)
Total current liabilities	(1 517)	—	(3 892)	(973)	(6 382)
Non-current					
Assets	2 147	835	5 781	4 315	13 078
Deferred tax	—	—	270	—	270
	2 147	835	6 051	4 315	13 348
Financial liabilities	(2 407)	—	(2 394)	(3 663)	(8 464)
Deferred tax	—	—	(295)		(295)
Total non-current liabilities	(2 407)	—	(2 689)	(3 663)	(8 759)
Net assets / (liabilities)	1 608	836	54	(1)	2 497
Summarised statement of comprehensive income					
Revenue	1 190	790	83	—	2 063
Depreciation and amortisation	(44)	(23)	16	—	(51)
Interest income	659	368	—	—	1 027
Operating expenses	(1 227)	(824)	—	—	(2 051)
Income expense	(184)	(114)	(13)	—	(311)
Pre-tax profit from continuing operations	394	197	86	—	677
Income tax expense	(101)	(65)	(28)	—	(194)
Post-tax profit from continuing operations	293	132	58	—	483
Post-tax profit from discontinued operations	—	—	—	—	—
Other comprehensive income	—	—	—	—	—
Total comprehensive income	293	132	58	—	483
Dividends received from associate	—	562	—	—	562

	Lendcor (Pty) Ltd	Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	Sand City Investment Thirty Four (Pty) Ltd	Dunes Mall (Pty) Ltd	Total
Reconciliation to carrying value					
Opening net assets	—	72	—	(1)	71
Profit for the period	293	132	58	—	483
Acquisition of associate	1 326	—	—	—	1 326
Foreign exchange differences	(25)	(11)	(4)	—	(40)
Closing net assets	1 594	193	54	(1)	1 840
Interest in associates	796	96	27	—	919
Goodwill	370	455		—	825
Carrying value	1 166	551	27	—	1 744

Summarised financial information for the year ended 28 February 2015:

	Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	Total
Summarised balance sheet		
Current		
Cash and cash equivalents	341	341
Other current assets (excluding cash)	2 662	2 662
Total current assets	3 003	3 003
Financial liabilities (excluding trade payables)	(1 008)	(1 008)
Other current liabilities (including trade payables)	(405)	(405)
Total current liabilities	(1 413)	(1 413)
Non-current		
Assets	1 520	1 520
Deferred tax asset	65	65
	1 585	1 585
Financial liabilities	(1 993)	(1 993)
Other liabilities		
Total non-current liabilities	(1 993)	(1 993)
Net assets	1 182	1 182

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

6 Investments in associates (continued)

6.5 Summarised financial information for associates (continued)

	Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	Total
Summarised statement of comprehensive income		
Revenue	368	368
Depreciation and amortisation	(22)	(22)
Operating expenses	(437)	(437)
Interest income	294	294
Income expense	(67)	(67)
Pre-tax profit from continuing operations	136	136
Income tax expense	(38)	(38)
Post-tax profit from continuing operations	98	98
Non-controlling interest	(20)	(20)
Other comprehensive income		
Total comprehensive income	78	78
Dividends received from joint venture	—	—
Reconciliation to carrying value		
Opening net assets		
Profit/loss for the period	78	78
Other comprehensive income		
Foreign exchange differences	(6)	(6)
Closing net assets	72	72
Interest in associates	36	36
Fair value of retained interest	1 201	1 201
Carrying value	1 237	1 237

6.6 Individually immaterial associates

In addition to the interests in associates disclosed above, the group also has interests in a number of individually immaterial associates that are accounted for using the equity method.

	GROUP	
	2016 £'000	2015 £'000
Aggregate carrying amount of individually immaterial associates	274	307
Aggregate amounts of the group's share of		
– Profit/(loss) from continuing operations	95	96
Total comprehensive income	95	96

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		7	**Loans receivable**		
		7.1	Consisting of:		
33 977	—		Loans and receivables with key persons – refer note 7.4	1 248	1 901
			Loans and receivables – other 7.5	3 220	4
33 977	—			4 468	1 905
	33 977	7.2	Opening balance	1 905	—
32 000	—		Loans granted	3 216	1 818
			Acquired through business combinations		
2 063	2 411		Interest	118	116
(86)	(8 406)		Repayments	(377)	—
	(28 090)		Cession to group company		
	108		Overpayment allocated to Trade and other payables	5	—
			Foreign currency translation differences	(399)	(27)
33 977	—		Closing balance	4 468	1 905

7.3 On 15 April 2014 loans were granted to key persons to buy shares of the company. The share issue price was R12 (£0.68) per share at the date of the transaction.

Interest is charged at the Standard Bank Prime rate less 2% and is to be repaid from distributions. The interest rate charged to the AS Trust was reduced to prime less 3% in March 2015.

The loans are secured by cession and pledge of personal assets and are considered full recourse loans. The loans are repayable on the fifth anniversary of the subscription date.

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		7.4	Subscribers and loan balance due		
21 183	—		AS Trust (FH Esterhuyse) – 1 664 490 shares	1 007	1 185
7 797	—		Prinsloo Trust (HF Prinsloo) – 610 386 shares	—	436
2 252	—		HM4 Trust (HW May) – 176 904 shares	108	126
616	—		KL Nordier – 48 219 shares	30	35
2 129	—		FM ver Loren van Themaat – 166 667 shares	103	119
33 977	—			1 248	1 901

On 29 February 2016 the company ceded and assigned its remaining key person loans to Mettle Investments (Pty) Ltd on loan account.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP 2016 £'000	2015 £'000
7	**Loans receivable (continued)**		
7.5	Loan balance due		
	Demashuwa Property Developers (Pty) Limited (50% partner in Steps JV)	2 733	—
	Sand City Investments Fifty Seven (Pty) Ltd	438	—
	Other	49	4
		3 220	4
	The loans mainly comprise advances to property development partners in Namibia. The loans are unsecured, bear no interest and are repayable on demand.		
8	**Deferred taxation**		
	Deferred taxation assets	510	261
	Deferred taxation liabilities	(526)	(160)
	Net deferred taxation	(16)	101
8.1	Deferred taxation assets		
	Taxable timing differences consisting of:		
	Tax losses carried forward	467	226
	Property, plant and equipment	9	
	Provisions and other liabilities	34	35
		510	261
8.2	Deferred taxation liabilities		
	Taxable timing differences consisting of:		
	Timing differences on prior year adjustments and rate adjustments	(151)	—
	Provisions and accruals	(86)	—
	Tax losses carried forward	546	—
	Lease straight-lining	(96)	—
	Property, plant and equipment	(739)	(160)
		(526)	(160)
8.3	The gross movement on the deferred taxation is as follows:		
	At beginning	101	(132)
	Income tax charge – refer note	143	128
	On acquisition/(disposal) of subsidiaries	(273)	101
	Functional currency translation differences	13	4
	At end	(16)	101
8.4	Portion of deferred tax asset to be realised within twelve months	11	110

		GROUP 2016 £'000	GROUP 2015 £'000
8.5	Unutilised assessed losses at the beginning of the year	990	442
	Losses incurred during the year	5 283	60
	Acquired through business combinations	179	1 083
	Utilised during the year	(377)	(129)
	Foreign currency translation movements	—	(24)
	Unutilised assessed losses at the end of the year	6 075	1 432
	Assessed losses applied in the provision for deferred tax	(5 588)	(442)
	Assessed losses to be applied in reduction of future taxable income	487	990

9 Financial assets

		2016 £'000	2015 £'000
9.1	Consisting of:		
	Financial assets at fair value through profit or loss	6 344	7 271
	The asset was valued using an income based approach to determine the fair value.		
9.2	Financial assets at fair value through profit or loss		
9.2.1	636 000 Shares in UBS AG designated at fair value through profit or loss		
	At beginning	7 271	8 130
	Foreign exchange gain	—	27
	Fair value loss	—	(886)
	Proceeds on disposal	(9 191)	—
	Gain on disposal	1 920	—
	At end	—	7 271
	During the year, the group disposed of its 0.02% (2015: 0.02%) shareholding in UBS AG, which is listed at the SIX Swiss Exchange and the New York Stock Exchange, resulting in a gain of £1.92 million.		
9.2.2	24 990 001 A Shares in DV4 Ltd designated at fair value through profit or loss		
	At beginning of year		
	Acquired through business combinations	6 855	—
	Fair value loss	(237)	—
	Distribution received	(274)	—
	At end	6 344	—
9.3	As significant judgement was exercised by management in determining the fair value using inputs that are based on unobservable market data, the investment was classified as a Level 3 financial asset for the year ended 29 February 2016 – refer note 32.9		
9.4	Analysis of total financial assets:		
	Non-current	—	—
	Current	6 344	7 271
		6 344	7 271

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP 2016 £'000	GROUP 2015 £'000
10	**Trade and other receivables**		
10.1	Consisting of:		
	Trade receivables	37 432	25 192
	Gross receivables	38 314	26 190
	Trade receivables	836	721
	Outstanding rent	4 275	1 162
	Loans and advances Reward – refer note 10.4	31 954	20 435
	Loans and advances Mettle – refer note 10.4	1 188	3 806
	Loans and advances – other – refer note 10.4	61	66
	Provision for impairment	(882)	(998)
	Loans and advances	(871)	(998)
	Other	(11)	—
	Deposits – purchase of property – refer note 10.8	2 609	2 029
	Lease incentives	2 113	—
	Rent-free prepayments	1 101	—
	Deferred consideration receivable – sale of Lendcor – refer note 10.9	289	982
	Prepayments	293	689
	Operating lease accrual	376	—
	Receivable due on sale of land	832	814
	Deferred finance charges	411	—
	Indirect taxes receivable	1 171	—
	Rental deposits	260	—
	Loan arrangement fees	497	—
	Other receivables	970	3 907
		48 354	33 613
	The carrying value less impairment provision of trade and other receivables are approximately their fair values.		
10.2	Analysis of total trade and other receivables		
	Non-current assets	303	1 645
	Current assets	48 051	31 968
		48 354	33 613

10.3 There is no significant concentration of credit risk with respect to outstanding rent trade receivables, as the group has a large number of tenants. As of 29 February 2016 and 28 February 2015, all outstanding rent trade receivables were fully performing.

		GROUP 2016 £'000	2015 £'000
10.4	The principal activities of Reward are to target the SME finance market and support SMEs in the UK with short-term asset based funding and debt factoring services. The business model is to provide short-term capital to cash-strapped companies. Trade receivables are secured by a combination of properties, debtors, debentures and equity shares to the value of £84 million (2015: £43.9 million).		
	The principal activities of Mettle are to target the SME finance market and support SMEs in South Africa with short-term asset based funding and debt factoring services. The business model is to provide short-term capital to cash-strapped companies. Trade receivables are secured by a combination of properties, debtors, motor vehicles and suretyships to the value of £0.4 million (2015: £1.2 million)		
10.4.1	The exposure to risk and movement in the loans and advances balance is as follows:		
	Loans and advances at start of year	24 306	12 860
	Disposal of subsidiary – Lendcor		(5 341)
	Acquisition of subsidiary – Mettle	(1 127)	4 297
	Acquisition of subsidiary – Tete Hollow	(12)	856
	Acquisition of subsidiary – other	—	413
	Gross loans advanced to customers	62 925	48 088
	Interest and other fees	6 862	7 373
	Gross loans paid by customers	(58 618)	(44 346)
	Loans written off in the year	(410)	—
	Foreign currency translation differences and forex losses	(723)	106
	Gross loans and advances at year end	33 203	24 306
10.4.2	The loan loss rate is as follows:		
	Loans and advances at year end	33 203	24 306
	Provision for impairment of loans and advances	(871)	(998)
	Net balance	32 332	23 308
	Impairment charge in profit and loss	343	521
	Loan loss rate for the period	0.54%	1.08%
10.5	The ageing of trade receivables are as follows:		
	Neither past due nor impaired		
	30 days	30 236	17 891
	60 days	2	103
	Past due but not impaired		
	30 days past due	818	997
	60 days past due	1 464	—
	90 days past due	—	—
	More than 90 days past due	5 305	6 482
	Impaired	489	716
	Total gross balance	38 314	26 189

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP	
		2016 £'000	2015 £'000
10	**Trade and other receivables (continued)**		
10.6	Movement in the provision for impairment of loans and advances were as follows:		
	Balance at beginning of the year	998	495
	Disposal of subsidiary – Lendcor	—	(269)
	Acquisition of subsidiary – Mettle	—	269
	Acquisition of subsidiary – other	—	32
	Additional provision charged during the year	336	474
	Utilised during the year	(443)	(3)
	Released during the year	(2)	—
	Foreign currency translation differences and forex losses	(7)	—
	Balance at end of the year	882	998
10.7	Credit quality of trade receivables (net of provisions)		
	Trade receivables without external credit rating:		
	Group 1	8 064	9 750
	Group 2	22 433	12 981
	Group 3	6 935	2 460
		37 432	25 191
	Group 1 – new customers (less than 6 months)		
	Group 2 – existing customers (more than 6 months) with no defaults in the past		
	Group 3 – existing customers (more than 6 months) with some defaults in the past, which were fully recovered		
10.8	Deposits		
	River Street Properties Ltd has paid a 10% deposit on a residential development on Sullivan Road in Fulham, London.	2 087	2 029
	Wandle Point Ltd has paid a 10% deposit on 9 units within the Avonview residential development in Clapham, London.	522	—
		2 609	2 029
10.9	Deferred consideration		
	Mettle Investments (Pty) Ltd sold a subsidiary during the prior year and the purchase price is outstanding at year-end. The purchase price accrues interest at prime less 2%.		
10.10	The carrying amount of trade and other receivables are denominated in the following currencies:		
	Pound Sterling	43 803	27 098
	Rand	2 142	5 637
	USD	1 300	879
	Namibian Dollar	635	—
	Other – Swiss franc/Euro	474	—
		48 354	33 614

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		11	**Cash and cash equivalents**		
		11.1	Consisting of:		
44 748	122 694		Cash at bank and on hand	16 219	26 162
			Short-term bank deposits	9	8 186
—	16 149		Cash as security for borrowings	5 725	—
44 748	138 843			21 953	34 348
			Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
44 748	138 843		Cash and cash equivalents	21 953	34 348
—	—		Bank overdrafts	—	(206)
44 748	138 843			21 953	34 142
		11.2	Cash as security for borrowings		
—	16 149		Security for short-term borrowings – refer note 20.3	725	2 200
—	—		Security for long-term borrowings – Tradehold Africa – refer note 15.2.11	97	4 695
—	—		Security for derivative – refer note 16.3	5 000	1 340
—	16 149			5 822	8 235
		11.3	Carrying amount of cash and cash equivalents are denominated in the following currencies:		
—	5		Pound Sterling	13 235	23 448
44 748	138 736		Rand	6 624	2 769
—	—		USD	1 336	8 118
			Namibian Dollar	222	—
—	102		Other	536	13
44 748	138 843			21 953	34 348

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		12	**Ordinary share capital**		
		12.1	Authorised:		
2 100	2 100		210 000 000 (2015: 210 000 000) ordinary shares of 1 cent each	191	191
		12.2	Issued:		
1 561	1 882		188 239 902 (2015: 156 132 877) ordinary shares of 1 cent each	236	219
		12.3	Reconciliation of number of shares issued:		
138 566 911	156 132 877		Balance at beginning of the year	156 132 877	138 566 911
15 853 257	28 907 025		Issue of shares – ordinary shares	28 907 025	15 853 257
—	3 200 000		Issue of shares to key persons – ordinary shares	—	1 712 709
1 712 709			Issue of shares to Mettle sellers – ordinary shares – refer note 12.4	3 200 000	—
156 132 877	188 239 902		Balance at end of the year	188 239 902	156 132 877
		12.4	As part of the settlement of the deferred consideration due in respect of the Mettle acquisition in the prior year, the following number of shares were issued to directors on 15 June 2015:		
			FH Esterhuyse	732 463	
			KL Nordier	57 863	
		12.5	The unissued share capital is under the control of the directors who may issue it on such terms and conditions as they in their discretion deem fit. This authority will be tabled for extension at the forthcoming annual general meeting.		
		13	**Reserves**		
(9 298)	236	13.1	Non-distributable reserves	1 220	4 812
(9 534)	—		Foreign currency translation reserve	1 735	5 294
			Cash flow hedging reserve – refer note	(535)	(412)
			Other	—	(91)
236	236		Capital redemption reserve fund	20	21

The company has released its foreign currency translation reserve of R9 533 758 brought forward from the previous year, relating to its Malta branch. The branch formerly had a functional currency of GBP, but it was assessed during the year and deemed to be no longer a branch.

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		13.2	Distributable reserve		
1 445	(80 382)		(Accumulated loss)/retained earnings	(27 351)	(38 933)
(7 853)	(80 146)			(26 131)	(34 121)
			During the year a dividend of £495 046 (2015: £427 018) was declared and paid out of share premium as approved by the board of directors. The Rand equivalent of this declaration was R9 559 973 (2015: R7 767 847).		
		13.3	Cash flow hedging reserve		
			Balance at beginning of the year	(412)	—
			Other comprehensive income for the year	(163)	(549)
			Attributable to minority share	40	137
				(535)	(412)
		14	**Preference share liability**		
		14.1	Authorised:		
893	893		89 250 000 (2015: 89 250 000) non-convertible, non-participating, non-transferable redeemable preference shares of 1 cent each	82	82
—	—		65 000 000 (2015: 65 000 000) cumulative, redeemable "A" preference shares of no par value	—	—
—	—		40 000 000 (2015: 40 000 000) unspecified preference shares of no par value	—	—
893	893			82	82
		14.2	Issued:		
574	574		57 391 218 (2015: 57 391 218) non-convertible, non-participating, non-transferable redeemable preference shares of 1 cent each – refer note 14.3	26	51
620 135	629 336		61 927 500 (2015: 61 927 500) cumulative, redeemable "A" preference shares of R10 each – refer note 14.4	28 262	34 702
620 709	629 910			28 288	34 753

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

14 Preference share liability (continued)

14.3 The non-participating preference shares are not convertible into shares of any other class, are not entitled to participate in any profits of the company and no dividends may be declared or paid in respect of them. The holder of these shares is entitled to be present at any meeting of the company and is entitled on a poll to one vote in respect of every share held.

The non-participating preference shares are redeemable in relation to the extent which the shareholder disposes of his interest in ordinary shares in the company. All issued preference shares are fully redeemable should the shareholder's interest in ordinary shares become less than 10%. These shares are not listed on any stock exchange.

Subject to certain limitations, the unissued share capital is under the control of the directors who may issue it on predetermined terms under certain circumstances. Full particulars are available for inspection at the registered office of the company.

14.4 The 61 927 500 cumulative redeemable "A" preference shares have been listed on the JSE since the issue date of 6 February 2015. Dividends are calculated quarterly at a rate of 72% of 3 month ZAR JIBAR plus 2.65% and payable quarterly, with the full outstanding subscription amount to be redeemed on 7 February 2018.

COMPANY 2015 R'000	COMPANY 2016 R'000		GROUP 2016 £'000	GROUP 2015 £'000
—	620 135	Balance at beginning of the year	34 702	—
619 275	—	Drawn during the year		35 674
—	—	Foreign exchange movement	(6 891)	(1 020)
(1 940)	665	Deferred finance charges	32	(109)
2 800	44 332	Interest accrued	2 174	157
—	(35 796)	Interest paid	(1 755)	—
620 135	629 336	Balance at end of the year	28 262	34 702

The group hedges the payables under this financial liability for currency and interest rate risk via a cross-currency swap which exchanges ZAR for GBP and ZAR JIBAR linked interest for GBP LIBOR linked interest. The derivative financial instrument is adjusted for fair value movements in the hedged risk – refer note 16

14.5 Other than the non-participating preference shares there are no unlisted securities in the issued share capital of the company.

		GROUP	
		2016 £'000	2015 £'000

15 Long-term borrowings

		2016 £'000	2015 £'000
15.1	Consisting of:		
	Financial liabilities at amortised cost	69 937	25 763

The fair value of current borrowings approximate their carrying amount, as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rates as set out below.

		2016 £'000	2015 £'000
15.2	Financial liabilities at amortised cost		
15.2.1	HSBC loan (Inception Holdings) – secured		
	Balance at beginning of the year	16 306	15 030
	Drawn during the year	7 675	1 250
	Repaid during the year	(969)	(615)
	Interest	983	641
	Balance at end of the year	23 995	16 306

On 24 December 2013 Inception Holdings S.àr.l (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l) entered into a 5 year term loan of up to £21 544 000 to purchase and then re-furbish the Market Place Shopping Centre in Bolton. The loan facility was subsequently increased to £26 404 000 on 3 April 2014.

Interest is calculated daily at an annual rate of 2.75% + 3 month LIBOR and payable quarterly, with the full outstanding capital amount to be settled at the end of a 5 year period.

The loan is wholly secured by a debenture over Inception Holdings S.àr.l including a fixed charge over all property and assets owned by Inception Holdings S.àr.l .

		2016 £'000	2015 £'000
15.2.2	HSBC loan (Inception Living S.ar.l) – secured		
	Balance at beginning of the year		
	Drawn during the year	8 100	—
	Repaid during the year	(165)	—
	Interest	188	—
	Balance at end of the year	8 123	—

On 4 April 2015 Inception Living S.àr.l (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l) entered into a 3 year term loan of £8 100 000 to finance the acquisition of Tagwright House, an office and residential building in Shoreditch, London.

Interest is calculated daily at an annual rate of 2.0% + 3 month LIBOR and payable quarterly, with the full outstanding capital amount to be settled at the end of a 3 year period.

The loan is wholly secured by a debenture over Inception Living S.àr.l including a fixed charge over all property and assets owned by Inception Living S.àr.l .

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP	
		2016 £'000	2015 £'000
15	**Long-term borrowings (continued)**		
15.2	Financial liabilities at amortised cost (continued)		
15.2.3	HSBC loan (The Boutique Workplace Company Limited) – secured		
	Balance at beginning of the year		
	Drawn during the year	6 400	—
	Repaid during the year	(355)	—
	Interest	63	—
	Balance at end of the year	6 108	—

On 1 December 2015 The Boutique Workplace Company Ltd (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l) entered into a 5 year term loan facility of £6 400 000 to finance the acquistion of Ventia Ltd and subsidiaries, a Serviced Office operator in London.

Interest is calculated daily at an annual rate of 3.5% + 3 month LIBOR and payable quarterly, with the loan amortising evenly over the 5 year term.

The loan is wholly secured by a debenture over The Boutique Workplace Company Ltd including a fixed charge over all property and assets owned by The Boutique Workplace Company Ltd and its subsidiaries.

		2016 £'000	2015 £'000
15.2.4	Europrop Holdings Limited – unsecured		
	Balance at beginning of the year	3 131	2 515
	Drawn during the year	500	526
	Repaid during the year	(1)	—
	Interest	313	90
	Balance at end of the year	3 943	3 131

The first £2 500 000 of the loan attracts interest at an annual rate of 10% + 3 month LIBOR, with interest charged on the balance at the rate of 2.75% + 3 month LIBOR. On the whole balance interest is calculated daily and payable quarterly, with the full outstanding capital amount to be settled at the end of a 5 year period. The loan is unsecured.

	GROUP 2016 £'000	2015 £'000
15.2.5 Santander – secured		
Balance at beginning of the year		
Acquired through business combinations	2 345	—
Repaid during the year	(1 145)	—
Interest	154	—
Balance at end of the year	1 354	—

On 18 March 2015 River Street Properties Ltd (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l) purchased Apex Properties Ltd. In December 2013 Apex Properties Ltd entered into a 5 year term loan facility of £2 500 000 with Santander Bank.

Interest is calculated daily at an annual rate of fixed rate of 5.17% and payable quarterly. The capital of the loan amortises evenly over the 5 year term.

The loan is wholly secured by a debenture over Apex Properties Ltd including a fixed charge over all property and assets owned by the company.

	GROUP 2016 £'000	2015 £'000
15.2.6 Shandon Investments Ltd – Unsecured.		
Balance at beginning of the year		
Drawn during the year	75	—
Interest	1	—
Balance at end of the year	76	—

On 1 July 2015 Wandle Point Ltd (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l) entered into a 6 year loan facility of £150 000 with Shandon Investments Ltd, to fund the acquisition of 9 residential units at the Avonview development in Clapham, London.

Interest is calculated daily at an annual rate of 3% + 3 month LIBOR and accrues over the term of the loan with all accrued interest and capital repayable on 30 June 2021.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

	GROUP 2016 £'000	2015 £'000
15 Long-term borrowings (continued)		
15.2 Financial liabilities at amortised cost (continued)		
15.2.7 Standard Bank – secured		
Balance at beginning of the year	4 411	—
Drawn during the year	15 921	4 411
Repaid during the year	(4 411)	(43)
Interest	326	43
Foreign currency translation differences	1 481	—
Balance at end of the year	17 728	4 411

On 6 May 2015 Cognis 1, Limitada entered into a 5 development loan of up to USD 32 million to fund the development of a residential housing estate in Maputo.

During the availability period, interest is calculated daily at an annual rate of 5% + Libor on the first USD 10 million and 7% + Libor on the remaining USD 22 million and capitalised.

At the end of the availability period, interest is calculated daily at an annual rate of 5% + Libor on the first USD 10 million and 6% + Libor on the remaining USD 22 million and payable quarterly, with the full outstanding capital amount to be settled 5 years after the end of the availability period.

15.2.8 Mauritius Commercial Bank – secured		
Balance at beginning of the year		
Acquired through business combinations	369	—
Repaid during the year	(201)	—
Interest	41	—
Foreign currency translation differences	10	—
Balance at end of the year	219	—

In April 2014 Tete Hollow Limitada entered into a 5 year term loan of up to USD600 000 to fund the development of a 24 room residential camp in Tete.

Interest is calculated daily at an annual rate of Mozambican prime + 6.5% and payable monthly, with the full outstanding capital amount to be settled on the 30th of March 2019.

		GROUP	
		2016 £'000	2015 £'000
15.2.9	Nedbank South Africa – secured		
	Balance at beginning of the year		
	Acquired through business combinations	23 998	—
	Drawn during the year	8 193	—
	Repaid during the year	(8 295)	—
	Interest	1 812	—
	Foreign currency translation differences	(6 825)	—
	Balance at end of the year	18 883	—

Interest is calculated daily at an annual rate of 9% and payable monthly.

Capital of £10.923 million is payable within 12 months and the remaining balance in more than 12 months.

The loan is wholly secured by the investment properties Mutual Platz and Mega Centre in Windhoek, Namibia, and the Rundu Shopping Mall in Rundu, Namibia.

		2016 £'000	2015 £'000
15.2.10	Africol Property Investments (Pty) Ltd – unsecured		
	Balance at beginning of the year		
	Acquired through business combinations	2 280	—
	Drawn during the year	1 775	—
	Repaid during the year	(1 961)	—
	Interest	135	—
	Foreign currency translation differences	(400)	—
	Balance at end of the year	1 829	—

The loan is unsecured, bears interest at South Africa prime and has no fixed terms of repayment. Refer note 33

		2016 £'000	2015 £'000
15.2.11	Small Enterprise Finance Agency SOC Limited ("SEFA") – secured		
	Balance at beginning of the year	724	—
	Business combinations	—	817
	Drawn during the year	739	196
	Repaid during the year	(739)	(374)
	Interest	79	76
	Foreign currency translation differences	(149)	9
	Balance at end of the year	654	724

Interest is calculated daily at an annual rate of SA prime and payable monthly until February 2016. Mettle Investments has guaranteed repayment of this loan. The loan is secured by trade receivables of £620 056 and cash of £97 437 – refer note 11.2

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

		GROUP	
		2016 £'000	2015 £'000
15	**Long-term borrowings (continued)**		
15.2	Financial liabilities at amortised cost (continued)		
15.2.12	Titan Share Dealers (Pty) Ltd – secured		
	Balance at beginning of the year	1 191	—
	Drawn during the year	—	1 166
	Repaid during the year	(1 170)	—
	Interest	127	30
	Foreign currency translation differences	(148)	(5)
	Balance at end of the year	—	1 191

During the prior year Mettle concluded two joint secured funding transactions with Titan Share Dealers, on a non-recourse basis. Loans, funded 70% by Titan Share Dealers and 30% by Mettle, were advanced to external parties. Mettle earned a margin of 2% per annum on the loans so advanced on behalf of Titan Share Dealers. Interest accrued at 14.55% and was repayable quarterly until December 2016 on the one transaction. Interest accrued at 22% on the other transaction which was repayable in October 2015. This repayment date was extended until April 2016. Total interest of R2 593 067 accrued to Titan during the year. In both instances, Titan Share Dealers had limited recourse against Mettle to its pro-rata share of the amounts received from borrowers and proceeds from realisation of the security, if applicable. The company ceded the loans to external parties to the Mettle Debt Fund En Commandite Partnership in February 2016. At the same time, the company delegated its obligations to Titan to the Mettle Debt Fund En Commandite Partnership.

		2016 £'000	2015 £'000
15.3	Undrawn borrowing facilities:		
	HSBC loan	2 535	10 210
	Europrop Holdings Limited	3 975	4 475
	Shandon Investments Limited	75	—
	SEFA	1 569	2 800
		8 154	17 485
15.4	Analysis of long-term borrowings:		
	Non-current	69 937	19 792
	Current – refer note 20.1	12 975	5 971
		82 912	25 763

		GROUP	
		2016 £'000	2015 £'000
16	**Derivative financial instruments**		
16.1	Consisting of:		
	Fair value through profit and loss – designated as a cash flow hedge – refer note 16.2	711	549
	Fair value through profit and loss – held for trading – refer note 16.3	7 854	1 765
	Total non-current	8 565	2 314

The full fair value of a hedging derivative is classified as a non-current liability if the remaining maturity of the hedged item is more than 12 months. There was no ineffectiveness to be recorded from cash flow hedges.

16.2	HSBC loan – secured		
	Market to market value of interest rate swap	711	549

On 4 April 2014 Inception Holdings S.àr.l entered into an interest rate swap, whereby the interest rate on 70% of the notional drawn balance was fixed at 2.155%, meaning that the total cost of funds is 4.905% on £15 143 100 of the loan, with the balance at the HSBC rate. HSBC performed a mark to market valuation at year end, which shows a potential loss of £712 380 if the group broke the swap.

The notional principle amount of the outstanding interest rate swap contract at 29 February 2016 was £15 143 100 (2015: £12 597 200).

At 29 February 2016, the fixed interest rate was 2.155%, and the floating rate was 3 Month LIBOR + 2.75%. Refer note 15.2.1

16.3	Rand Merchant Bank GBP ZAR cross currency interest rate swap		
	Fair value at end of the year	7 854	1 765

The Rand listed preference share liability was exchanged for a £liability at the rate of exchange on the issue date, and the dividend rate of (72% of three month JIBAR) + 2.65% payable in Rand on the Rand amount of the listed preference shares was exchanged for an interest rate of three month GBP LIBOR + 0.94% payable in GBP on the notional GBP liability, meaning that the capital value of the liability is £35 673 756 and the total cost of funds is GBP LIBOR + 0.94%.

Rand Merchant Bank performed a mark to market valuation at year end, which shows a potential loss of £7 853 687) (2015: £1 764 613) on the swap, resulting from the ZAR depreciation against the £since the issue date (with the benefit reflected in the preference share liability), and the margin earned by Rand Merchant Bank on the derivative.

The swap is secured by a credit support annex with a cap of £5 million and a minimum transfer amount of £500 000. The collateral pledged at year end was £5 000 000.

17	**Deferred revenue**		
	Consisting of:		
	Rent received in advance	5 801	4 818

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		18	**Contingent consideration**		
		18.1	Consisting of:		
35 394	37 639		Financial liability carried at fair value through profit or loss – Mettle – refer note 18.2	1 691	1 980
			Financial liability carried at amortised cost – other	106	84
35 394	37 639			1 797	2 064
		18.2	The group purchased the share capital of Mettle Investments (Pty) Ltd during the 2015 financial year.		
			The purchase consideration was not yet settled at year-end.		
			Balance at beginning of the year	1 980	—
			Additional consideration on Mettle transaction	—	1 818
			Unwinding of interest	110	117
			Foreign currency translation	(399)	45
			Balance at end of the year	1 691	1 980
			The key assumptions considered were the probability of meeting profit targets in 2016 and the weighted average cost of capital.		
		19	**Trade and other payables**		
			Trade payables	4 689	1 639
2 770	3 525		Other payables and accrued expenses – refer note 33	2 762	4 593
			Leave accrual	11	9
			Lease guarantee liability	285	327
			Deferred income	3 645	1 557
			Undrawn commitments on DV4 Ltd fund	351	—
			Social security and other taxes	285	63
2 770	3 525			12 028	8 188
			The carrying value amount is the amortised cost which approximates fair value.		
			The lease guarantee liability stems from an indemnity given to Instore Ltd as part of a sale and purchase agreement.		

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		19.1	The carrying amount of trade and other payables are denominated in the following currencies:		
			Pound Sterling	11 023	6 296
2 770	2 431		Rand	317	388
			USD	47	1 030
			Namibian dollar	446	—
—	1 094		Other – Swiss franc/Euro/Zambian Kwacha/ Botswana Pula	195	474
2 770	3 525			12 028	8 188

20 Short-term borrowings

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		20.1	Consisting of:		
—	—		UBS loan – refer note 20.2	—	6 484
—	298 457		RMB loan – refer note 20.3	13 403	—
			Ms CH Wiese loan – refer note 20.4	2 000	—
			Loans from related party – refer note 20.5	1 062	—
—	—		Short term portion of long-term loans – refer note 15.4	12 975	5 971
—	—		Other – secured	79	74
—	298 457			29 519	12 529
		20.2	UBS loan – secured		
			Balance at beginning of the year	6 484	6 436
			Interest	33	63
			Repaid during the year	(6 517)	(63)
			Foreign currency translation differences	—	48
			Balance at end of the year	—	6 484

Carried interest at 1% (2015: 1%) and repaid on 3 September 2015 from the proceeds on the sale of the UBS shares which served as security for the loan – refer note 11.2

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		20.3	RMB loan – secured		
—	—		Balance at beginning of the year	—	—
—	372 528		Drawn during the year	16 730	—
—	12 923		Interest	634	—
—	(86 994)		Repaid during the year	(3 907)	—
—	—		Foreign currency translation differences	(54)	—
—	298 457		Balance at end of the year	13 403	—

Carries interest at FirstRand Bank 3 month Jibar + 0.85% and repayable on 31 May 2016. The loan is secured by various investment properties as well as a cash deposit – refer note 11.2

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		20	**Short-term borrowings (continued)**		
		20.4	Ms CH Wiese loan – unsecured		
			Balance at beginning of the year	—	—
			Drawn during the year	2 000	—
			Interest	38	—
			Repaid during the year	(38)	—
			Balance at end of the year	2 000	—
			Carries interest at a margin of 4% over 3 month Libor and repayable on 24 September 2016. The loan is unsecured. Refer note 33		
		20.5	Rundu Properties (Pty) Ltd loan – unsecured		
			Balance at beginning of the year	—	—
			Acquired through business combination	1 241	—
			Interest	44	—
			Repaid during the year	—	—
			Foreign currency translation differences	(223)	—
			Balance at end of the year	1 062	—
			Carries interest at South African Prime rate and repayable on demand. Refer note 33		
		21	**Revenue**		
			Interest received from clients	5 455	4 535
			Fee and commission revenue	1 944	2 718
			Loan initiation fees	719	2 440
			Rental income	12 741	8 063
			Business Centre revenues	4 743	—
			Revenue from hotel operations	3 049	2 975
				28 651	20 731
			The group has entered into various operating lease agreements as the lessor of property. The period of leases whereby the group leases out its investment property under operating leases varies from 1 year to 70 years (2015: 1 year to 71 years).		
			Future minimum lease payments receivable under non-cancellable operating leases are as follows:		
			Not later than one year	17 925	7 951
			Later than 1 year not later than 5 years	30 267	18 133
			Later than 5 years	70 784	68 465
				118 976	94 549

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		22	**Other operating income**		
			Profit on sale of property, plant and equipment		
8 684	—		Net foreign exchange profits – refer note	215	601
			Management fees received from associates	173	—
			Settlement in relation to legal matter	220	782
			Sundry income	214	254
8 684	—			822	1 637
		23	**Operating profit/(loss)**		
		23.1	Determined after taking into account the following:		
926	1 091		Employee benefits expenses	4 708	4 155
926	1 091		Salaries, wages and service benefits	4 506	4 128
			Retirement benefit contributions	202	27
			Net foreign exchange profits	(215)	(601)
	6		Foreign exchange rate losses – realised	64	1 418
	8 360		Foreign exchange rate losses – unrealised	—	49
			Foreign exchange rate profits – unrealised	(228)	(1 051)
			Foreign exchange rate profits – realised	(51)	(1 017)
746	966		Auditors' remuneration	182	133
746	966		Audit fees – for this year	182	133
			– over provided in the previous year	—	—
7 581	6 710		Fees paid for outside services	731	501
7 245	6 432		Administrative	717	445
207	160		Accounting fees	8	12
129	118		Secretarial	6	8
			Technical	—	36
46	138		Operating leases – buildings	593	613
			Profit on disposal of investment properties	(239)	(1 359)
			(Profit)/loss on disposal and scrapping of property, plant and equipment	(19)	134
935	867		Travel and office costs	681	602
			Advertising cost	319	230
			Repairs and maintenance	181	117
			Business centre operating costs	2 663	391
			Unrecovered rates	518	782
			Bad debts	440	796
—	292		Professional and letting fees	730	917
			Legal and professional fees	995	797
			Unrecovered property costs	1 071	189
			Unrecovered service charge	977	1 080
			Hotel operating costs	1 124	1 305
		23.2	Directors' remuneration		
		23.2.1	Non-executive directors	277	303
			Executive directors	859	655
				1 136	958

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

23 Operating profit/(loss) (continued)

23.2 Directors' remuneration (continued)

	Management company fees £'000	Fees £'000	2016 Total £'000	2015 Total £'000
23.2.2 Non-executive directors				
MJ Roberts	—	3	3	4
C Stassen (resigned 27 May 2014)	—	—	—	2
HRW Troskie	—	11	11	7
CH Wiese (became non-executive on 27 May 2014)	137	40	177	197
JM Wragge	86	—	86	93
	223	54	277	303

	Basic remuneration £'000	Variable remuneration £'000	2016 Total £'000	2015 Total £'000
23.2.3 Executive directors				
FH Esterhuyse	88	42	130	54
DA Harrop	144	43	187	143
C Moore (resigned 27 May 2014)	—	—	—	60
KL Nordier	171	27	198	147
TA Vaughan	274	70	344	251
	677	182	859	655

23.2.4 Executive directors Basic remuneration for 2016 comprises the following:

	Salary £'000	Pension scheme contributions £'000	Other £'000	Total £'000
FH Esterhuyse	74	7	7	88
DA Harrop	114	26	5	145
KL Nordier	163	4	3	170
TA Vaughan	263	6	5	274
	614	43	20	677

23.2.5 Executive directors Variable remuneration for 2016 comprises the following:

	Bonuses and performance related payments £'000	Interest rate reduction on key person loan £'000	Total £'000
FH Esterhuyse	—	42	42
DA Harrop	43	—	43
KL Nordier	27	—	27
TA Vaughan	70	—	70
	140	42	182

23.2.6 Share options granted to directors

There are no outstanding share options at the end of the year under the former share option scheme (2015: nil).

A new employee share option scheme, the Tradehold Limited Employee Share Trust, was adopted during the year. In terms of this scheme, 263 681 share options of ZAR 22.18 per share were awarded to DA Harrop on 23 March 2016, exercisable in three equal tranches on 5 November 2019, 5 November 2020 and 5 November 2021 respectively.

23.2.7 Management company fees are paid to Chaircorp (Pty) Ltd and Gritprop Investments (Pty) Ltd in their capacity as employees – refer note 33

COMPANY 2015 R'000	COMPANY 2016 R'000			GROUP 2016 £'000	GROUP 2015 £'000
		24	**Finance income and cost**		
—	14 512		Finance cost on short-term borrowings	847	424
—	—		Finance cost on long-term borrowings	3 197	1 301
—	—		Interest paid to associates	128	—
3 370	44 332		Preference dividends	2 174	164
7 589	2 245		Other finance cost	338	400
10 959	61 089		Total finance cost	6 684	2 289
—	(6 454)		Interest income on short-term bank deposits	(361)	(38)
(8 157)	(44 332)		Interest received from group companies		
—	—		Interest received from joint ventures	(865)	—
—	—		Interest received from associates	(281)	—
(4 903)	(2 411)		Other finance income	(2 093)	(771)
(13 060)	(53 197)		Total finance income	(3 600)	(809)
(2 101)	7 892		Finance cost – net	3 084	1 480
			The balance is shown net of capitalised long term borrowings costs of £504 000 which has been capitalised to investment property.		
		25	**Taxation**		
		25.1	Classification:		
			South African normal taxation	33	134
			Foreign taxation	605	471
				638	605
		25.2	Consisting of:		
			Current taxation	872	742
			Prior year taxation	(91)	(9)
			Deferred taxation – refer note 8.3	(143)	(128)
			Current year	(146)	(31)
			Prior year	3	(97)
				638	605

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

COMPANY 2015 %	COMPANY 2016 %			GROUP 2016 %	GROUP 2015 %
		25	**Taxation (continued)**		
		25.3	Reconciliation of tax rate:		
28	28		South African normal tax rate	28.0	28.0
(28)	(28)		Net adjustment	(23.8)	(22.5)
(28)	(28)		Exempt income/non-deductible expenses	(9.1)	(17.7)
			Utilisation of tax losses not previously recognised	(2.2)	—
			Tax rate adjustment foreign tax differential	(12.3)	(3.8)
			Prior year taxation	(0.2)	(1.0)
—	—		Effective tax rate	4.2	5.5

		GROUP 2016 £'000	GROUP 2015 £'000
26	**Earnings per share**		
	Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.		
26.1	Profit attributable to equity holders of the company	14 280	7 832
26.1.1	Weighted average number of ordinary shares in issue ('000)	186 818	153 143
	The weighted average number of ordinary shares in issue in the current year has been adjusted to take into account the 26 327 171 and 2 579 854 ordinary shares which were issued on 28 August 2015 and 18 December 2015 respectively (weighted average effect 1 421 657) in terms of the Collins property acquisition. These 28 907 025 shares issued in respect of the Collins acquisition were included in the weighted average number of ordinary shares from the effective date of the acquisition, being 18 March 2015. The 3 200 000 shares issued on 15 June 2015 in respect of the Mettle acquisition were included in the weighted number of ordinary shares for the full year.		
	Basic earnings per share (pence)	7.6	5.1

		GROUP 2016 £'000	GROUP 2015 £'000
26.1.2	Diluted number of ordinary shares ('000)	188 124	155 341
	The diluted number of ordinary shares in the current year has been adjusted to take into account the following:		
	Weighted average number of ordinary shares in issue ('000)	186 818	153 143
	Contingently issuable shares in May 2016 in respect of Mettle acquisition (based on THL closing share price for the year of R29.10)	1 306	2 198
		188 124	155 341
	Diluted earnings per share (pence)	7.6	5.0
26.2	Headline earnings:		
	Basic headline earnings per share (pence)	5.2	3.3
	Diluted headline earnings par share (pence)	5.1	3.3
	Based on headline profit of	9 629	5 121
	Profit attributable to equity holders of the company	14 280	7 832
	Net gain from fair value adjustment on investment property	(4 613)	(2 156)
	Profit on disposal of investment properties	(239)	(1 359)
	Gain from bargain purchase	—	(9)
	Gain on disposal of investments	(24)	(1 117)
	Impairment of goodwill	—	1 288
	(Profit)/loss on disposal of property, plant and equipment	(19)	134
	Total non-controlling interest and tax effects of adjustments	244	508
	and the weighted average number of ordinary shares in issue of ('000)	186 818	153 143
	and the diluted number of ordinary shares ('000)	188 124	155 341
26.3	Core headline earnings:		
	Basic core headline earnings per share (pence)	6.5	5.4
	Diluted core headline earnings per share (pence)	6.4	5.4
	Based on core headline profit of	12 108	8 330
	Headline profit	9 629	5 121
	Net gain from fair value adjustment on investment property	4 613	2 156
	Profit on disposal of investment properties	239	1 359
	Legal fee income	(220)	(782)
	(Profit)/loss on disposal / fair value adjustment of UBS shares	(1 920)	886
	Total non-controlling interest and tax effects of adjustments	(233)	(410)
	and the weighted average number of ordinary shares in issue of ('000)	186 818	153 143
	and the diluted number of ordinary shares ('000)	188 124	155 341
	Management believe that core headline earnings is a better measure of the entity's underlying profitability and financial performance.		

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

COMPANY 2015 R'000	COMPANY 2016 R'000		GROUP 2016 £'000	GROUP 2015 £'000
		27 Cash flow information		
		27.1 Non-cash items		
		Depreciation	608	372
		Profit on disposal of investment properties	(239)	(1 359)
		Loss/(profit) on disposal of property, plant and equipment	(19)	134
		Net gain on fair value adjustment on investment properties	(4 613)	(2 156)
		Fair value loss on financial assets at fair value through profit or loss	237	886
		Impairment of goodwill	—	1 288
(610 302)	—	Reversal of impairment in subsidiaries	—	—
		Impairment of loans	440	795
—	665	Other non-cash items	3	(304)
		Profit on disposal of investments / financial assets	(1 947)	(1 117)
		Release of provision for lease repair liabilities	—	(36)
(610 302)	665		(5 530)	(1 497)
		27.2 Changes in working capital		
—	—	Trade and other receivables	1 182	(1 479)
1 065	755	Trade and other payables	(5 320)	1 558
1 065	755		(4 138)	79
		27.3 Taxation paid		
		Taxation per profit or loss	(638)	(605)
		Business combinations	(365)	106
		Foreign currency translation movements	(44)	(4)
		Increase in taxation payable	899	217
		Change in deferred taxation	(143)	(128)
			(291)	(414)
		27.4 Share buy-back from minority shareholder		
		Total consideration	—	(624)
		Shares issued	—	437
			—	(187)
		27.5 Proceeds from ordinary share issues		
247 101	559 509	Ordinary share issues during the year	25 127	13 614
—	(43 808)	Shares issued in settlement of deferred consideration for acquisition of Mettle	(1 968)	
—	(515 701)	Shares issued in consideration for acquisition of Collins Group property portfolio	(23 159)	
(7 838)	—	Shares issued as payment to minority shareholder for share buy back	—	(437)
(33 977)	—	Shares issued on loan account	—	(1 901)
205 286	—		—	11 276

		GROUP 2016 £'000	2015 £'000
27.6	Business combinations		
	Cash inflow on acquisition of Mettle Investments Proprietary Limited	—	142
	Cash inflow on acquisition of Cognis 1, Limitada	—	382
	Net cash inflow on acquisition of other subsidiaries	11	101
	Net cash outflow on disposal of subsidiary	—	(181)
	Cash inflow on acquisition of Collins group property portfolio	2 962	—
	Net cash outflow on acquisition of Ventia	(12 872)	—
		(9 899)	444

27.6.1 Collins group property portfolio

On 18 March 2015 the group acquired a portfolio of commercial property assets in Botswana, Zambia, Namibia, Mozambique and the United Kingdom from Collins Property Projects Proprietary Limited and its affiliates ("Collins group"), and as a composite transaction the Collins group utilised the sale proceeds to subscribe for ordinary shares in Tradehold Limited. This is considered, in substance, to be a non-cash transaction. The subscribers are not permitted to dispose of more than 50% of the Tradehold Limited shares during a 5 year "lock-in" period.

As a result of the acquisition, the group has expanded its property interest in southern Africa (excluding South Africa), and has gained access to the resources and property expertise of the Collins group in Namibia, Botswana, Zambia and Mozambique to assist with the development of the group's African portfolio.

The following table summarises the purchase price allocation for the acquisition, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.

	2016 £'000	2015 £'000
Total consideration		
Issuance of ordinary shares	28 157	—
Recognised amounts of identifiable assets acquired and liabilities assumed at fair value:		
Total assets	60 531	—
Investment property	45 789	
Financial assets	6 855	
Property plant and equipment	35	
Loans to associates	2 977	
Cash and cash equivalents	2 962	
Trade and other receivables	1 580	
Tax receivables	333	
Total liabilities	(32 710)	—
Borrowings	(29 008)	
Tax creditor	(81)	
Trade and other payables	(3 621)	
Total identifiable net assets	27 821	
Goodwill	336	
Total consideration	28 157	—

Goodwill represents the assembled workforce and synergies from the acquisition.

Acquisition-related costs of £113 000 were charged to administrative expenses in the consolidated income statement of the group for the year ending 29 February 2016.

The revenue included in the consolidated income statement for the current year contributed by these assets was £4.714 million. These assets also contributed profit after tax and controlling interest of £1.055 million for the current year.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

27 Cash flow information (continued)

27.6 Business combinations (continued)

27.6.2 Ventia Ltd

On 2 December 2015 The Boutique Workplace Company Ltd acquired the issued share capital of Ventia Ltd, a serviced office business. The acquisition has significantly increased the group's serviced office presence in London and complements the group's existing serviced office business.

The following table summarises the provisional purchase price allocation for the acquisition, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date. The purchase price allocation will be finalised before the next interim reporting date.

	GROUP 2016 £'000	GROUP 2015 £'000
Total consideration	13 827	—
Cash paid	13 827	
Recognised amounts of identifiable assets acquired and liabilities assumed at provisional fair value:		
Total assets	9 331	—
Property plant and equipment	2 058	
Cash and cash equivalents	955	
Trade and other receivables	6 318	
Total liabilities	(5 090)	—
Deferred revenue	(3 406)	
Tax creditor	(617)	
Trade and other payables	(1 067)	
Total identifiable net assets	4 241	
Provisional goodwill	9 586	
Total consideration paid	13 827	
Cash acquired	(955)	
Net cash flow on acquisition	12 872	—

Goodwill represents the assembled workforce and synergies from the acquisition.

Acquisition-related cost of £271 513 were charged to administrative expenses in the consolidated income statement of the group for the year ending 29 February 2016.

The revenue included in the consolidated income statement for the current year contributed by these assets was £3.2 million. These assets also contributed profit after tax and controlling interest of £0.45 million for the current year.

	GROUP 2016 £'000	GROUP 2015 £'000

28 Capital commitments

Capital commitments contracted but not provided for at year-end relating to investment property in the UK are £21 785 265 (2015: £0) , principally relating to a completion payment of £17 357 355 due on a residential development in London.

Capital commitments contracted but not provided for at year-end relating to investment property in Africa are £5 468 707 (2015: £12 265 000), principally relating to property development in Mozambique, to be funded by long term borrowings from Standard Bank (South Africa).

29 Operating lease commitments

The group leases retail outlets and offices under non-cancellable operating lease agreements.

The group also leases certain plant and machinery under cancellable operating lease agreements.

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2016 £'000	2015 £'000
Expenditure to be incurred within 1 year	3 910	606
Later than one year and not later than 5 years	17 909	2 298
To be incurred after 5 years	34 158	39 469
	55 977	42 373
Total future sublease income receivable	80 864	75 069

30 Contingent liabilities

There are no contingent liabilities.

31 Borrowing powers

In terms of the memorandum of incorporation of the company, the borrowing powers of Tradehold Limited are unlimited.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

32 Financial risk management

32.1 Financial risk factors

The risk management function within the group is carried out in respect of financial risks. Financial risks are risks arising from financial instruments to which the group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objective of the financial risk management function is to establish risk limits and then ensure that exposure to risks stay within these limits.

The group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the group.

Risk management policies are approved by the boards of operating subsidiaries.

32.2 Market risk – Foreign currency exchange risk

The group operates internationally in the United Kingdom, Mozambique, Namibia, Botswana, Zambia and South Africa, whilst certain functions are carried out in Switzerland, Luxembourg, Malta and Mauritius. The group is therefore exposed to various forms of foreign exchange risk, primarily with respect to the Swiss Franc, Euro, United States Dollar, South African Rand, Namibian Dollar, Zambian Kwacha and the Botswana Pula .

Foreign exchange risk arises in respect of those recognised monetary financial assets and liabilities that are not in the functional currency of the respective group entity.

The exposure to foreign exchange is managed and monitored by group treasury. The group's policy is to enter into currency hedging transactions in instances where funding is raised in a different currency to which the funding will be deployed.

Sensitivities to market risks included below are based on a change in one factor while holding all other factors constant. In practice this is unlikely to occur, and changes in some of the factors may be correlated – for example, changes in interest rates and changes in foreign currency rates.

32.2.1 Sensitivity analysis

The sensitivity analysis below details the group's sensitivity to a change in exchange rate between Pound Sterling and ZAR, between the US Dollar and Zambian Kwacha, and between the US Dollar and the Botswana Pula. These percentages represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. No other currency would have a meaningful effect.

If ZAR would depreciate 5% against the Pound Sterling, profit for the year would be increased by £0.087 million (2015: profit for the year would be decreased by £0.011 million).

If the Zambian Kwacha would depreciate 5% against the US Dollar, profit for the year would be decreased by £0.044 million (2015: nil).

If the Botswana Pula would depreciate 5% against the USD Dollar, profit for the year would be decreased by £0.009 million (2015: nil).

32.2.2 Exchange rates

The exchange rates used by the group to translate foreign entities' statement of comprehensive income and statement of financial position are as follows:

	2016 Average rate	2016 Closing rate	2015 Average rate	2015 Closing rate
SA Rand	R20.40	R22.27	R17.80	R17.87
Swiss Franc	SFr1.47	SFr1.39	SFr1.50	SFr1.47
United States Dollar	$1.51	$1.39	$1.63	$1.54
Euro	€1.37	€1.27	€1.26	€1.38
Namibian Dollar	N$20.40	N$22.27	—	—
Botswana Pula	BWP15.7663	BWP15.8414	—	—
Zambian Kwacha	ZMW14.2001	ZMW15.8353	—	—
Mozambique New Metical	MZN61.7083	MZN67.5515	—	—

32.2.3 Uncovered foreign assets and liabilities

The group had the following uncovered foreign assets and liabilities:

	2016 Foreign currency	2016 Pound equivalent	2015 Foreign currency	2015 Pound equivalent
SA Rand liabilities	298 457 041	13 403 198	—	—
Kwacha liabilities	7 837 688	494 950	—	—
Kwacha assets	110 570 996	6 982 564	—	—
Pula liabilities	4 825 260	304 598	—	—
Pula assets	59 223 772	3 738 544	—	—
Swiss Franc liabilities	—	—	9.5 million	6.5 million
Swiss Franc assets	—	—	10.7 million	7.3 million

32.3 Market risk – Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. During 2016 and 2015, the group's borrowings at variable rate were denominated in the Rand (2015 and 2016), United States Dollar (2015 and 2016), UK pound (2015 and 2016) and Namibian Dollar (2016).

The group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the group calculates the impact on the statement of comprehensive income and loss of a defined interest rate shift.

The group continues to review its interest rate risk and the policies in place to manage the risk.

Trade receivables and payables are interest-free and have settlement dates within one year.

For the current year a 100 basis point increase in interest rates across the year would have resulted in a decrease in the net profit of the group of £1 045 (2015: £3 000 decrease in net profit), whilst a 100 basis point reduction in interest rates would have resulted in an increase in the net profit of the group of 1 045 (2015: £5 000 reduction in net profit).

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

32 Financial risk management (continued)

32.4 Market risk – Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified as at fair value through profit or loss. No financial instruments or derivatives have been employed to hedge this risk. The group is not exposed to commodity price risk.

A 5% increase in the value of investments would increase the group's net profit by £0.32 million (2015: £0.4 million increase in net profit), whilst a 5% decrease in the value of investments would reduce the net profit by £0.32 million (2015: £0.4 million reduction in net profit).

32.5 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Credit risk arises from cash and cash equivalents held at banks and trade receivables, including rental receivables from lessees and short-term lending.

The short-term secured lending operations are concentrated mainly in Northern England in the United Kingdom, however the risk is offset by securities held. Since 2015, the group also has short-term lending operations in South Africa. The group has no significant concentrations of credit risk.

The letting operations are concentrated mainly throughout the United Kingdom, with the relevant properties all held in Pound Sterling. Commencing in the current year, the group now has letting operations in Mozambique, Zambia, Botswana and Namibia.

Credit policy is managed through credit limits defined at all stages of the customer life cycle, including new account sanctioning, customer management and collections and recovery activity as well as reviewing the security held. Customer lending decisions are managed principally through an affordability assessment which determines a customer's ability to repay an outstanding credit amount. In the event of default the security pledged is called upon.

32.5.1 Trade and other receivables

The group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history.

Tenant rent payments are monitored regularly and appropriate action is taken to recover monies owed or, if necessary, to terminate the lease.

Deposits refundable to tenants may be withheld by the group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

Short-term asset based funding provided to cash-strapped UK and SA corporates are actively managed by the directors.

Reward is an asset based lender where the value of the underlying security is paramount in any lending decision. In addition to the underlying asset security, personal guarantees are also taken in support of facilities.

Pre-lending due diligence of all new facilities includes; assessment of the borrowers financial standing, full credit reference searches, know-your-customer anti-money laundering checks, review of management and their previous directorships, together with an assessment of the security value backed up by professional valuations when required. Invoice Finance clients are subject to a further review of their financial systems, liquidity and book debts. New facilities are underwritten in accordance with delegated authorities which require a minimum of two experienced lenders to sanction them. Legal documentation is outsourced to external solicitors who provide written confirmation that security is in order prior to drawn down of facilities.

All clients are subject to continual monitoring via a credit reference agency, client facilities are subject to an internal monthly review and reporting regime to ensure they are performing within agreed parameters. Invoice finance clients are subject to periodic audits. Invoice finance debtor credit limits are set in accordance with credit reference agency ratings and supported by credit insurance where required, such limits are subject to on going monitoring.

Early stage client defaults are overseen at Director level, working with the client to rectifying the position. Thereafter suitable professional advisors; accountants, solicitors, insolvency professionals will be utilised to recover amounts due.

32.5.2 Cash and cash equivalents

Cash balances are held with major banking groups with high credit ratings. The group's treasury policy is designed to limit exposure to any one institution.

At year-end cash and cash equivalents, neither past due nor impaired has been invested as follows:

2015 R'million	2016 R'million	Bank rating (as per Fitch Ratings)	2016 £'000	2015 £'000
—	—	F1 +	8 495	22 100
—	—	F2	—	1 500
44.7	138.8	F3	13 458	10 747
44.7	138.8	Total	21 953	34 347

The maximum amount of credit risk that the group is exposed to is £94 million (2015: £70.5 million) and has been calculated as follows:

2015 R'million	2016 R'million		2016 £million	2015 £million
		Trade and other receivables	48.4	33.6
34.0	—	Loans receivable	4.5	1.9
736.0	3 098	Loans to subsidiaries	—	—
—	—	Loans to associates	5.1	0.6
—	—	Loans to joint ventures	13.5	—
44.7	139	Cash and cash equivalents	22.0	34.3

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

32 Financial risk management (continued)

32.6 Liquidity risk

Liquidity risk is defined as the risk that the group could not be able to settle or meet its obligations on time or at a reasonable price. Group treasury is responsible for liquidity, funding as well as settlement management. In addition, liquidity and funding risks, related processes and policies are overseen by management. Tradehold manages its liquidity risk on a consolidated basis based on business needs, tax, capital or regulatory considerations, if applicable, through numerous sources of finance in order to maintain flexibility. Management monitors the group's net liquidity position through rolling forecasts on the basis of expected cash flows. Such forecasting takes into consideration the group's debt financing plans and covenant compliance.

The table below analyses the company's and the group's financial liabilities into relevant maturity groupings based on the remaining period at year-end to the contracted maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows and include both interest and capital.

COMPANY			GROUP			
Less than 1 year R'million	Between 1 and 5 years R'million	At 29 February 2016	Less than 1 month £million	Between 1 and 3 months £million	Between 3 and 12 months £million	Between 1 and 5 years £million
3.5	—	Trade and other payables	3.9	6.4	3	0.3
298.5	629.9	Interest-bearing liabilities	15	1	14	98
—	—	Bank overdrafts				

Less than 1 year R'million	Between 1 and 5 years R'million	At 28 February 2015	Less than 1 month £million	Less than 3 months £million	Between 3 to 12 months £million	Between 1 and 5 years £million
2.8	—	Trade and other payables	3.2	3.0	2.4	—
—	750.3	Interest-bearing liabilities	—	—	12.5	59.8
		Bank overdrafts	—	0.2	—	—

32.7 Fair value of financial instruments

The carrying amounts, net gains and losses recognised through profit and loss, total interest income, total interest expense and impairment of each class of financial instrument are as follows:

29 February 2016 Assets (£'million)	Carrying value	Net (losses)/ gains	Total interest income	Total interest expense	Impairment
Financial asset at fair value through profit or loss	6.3	(0.2)	—	—	0.2
Loans and trade receivables	41.9	—	2.1	—	0.9
Other receivables	10.9	—	—	—	—
Cash and cash equivalents	22.0	—	—	—	—
Liabilities (£'million)					
Long-term borrowings	82.9	—	—	4.2	—
Derivatives	8.6	—	—	—	6.3
Preference shares	28.3	—	—	2.2	—
Contingent consideration	1.8	—	0.3	—	—
Short-term borrowings	17	—	—	0.8	—
Bank overdrafts	—	—	—	—	—
Trade and other payables	12.0	—	—	—	—

28 February 2015 Assets (£'million)	Carrying value	Net (losses)/ gains	Total interest income	Total interest expense	Impairment
Financial asset at fair value through profit or loss	7.3	(0.9)	—	—	—
Loans receivable	1.9	—	0.1	—	—
Trade and other receivables	33.6	—	4.5	—	1.0
Cash and cash equivalents	34.3	—	0.4	—	—
Liabilities (£'million)					
Long-term borrowings	19.8	—	—	1.2	—
Derivatives	2.3	—	—	—	—
Preference shares	34.8	—	—	0.2	—
Contingent consideration	2.1	—	—	0.1	—
Short-term borrowings	12.5	—	—	0.5	—
Bank overdrafts	0.2	—	—	0.0	—
Trade and other payables	8.6	—	—	—	—

The fair value of all amounts, except long-term borrowings with fixed interest rates, approximate their carrying amounts.

All financial instruments are classified as loans receivable/payable at amortised cost, except listed investments, which are classified as financial assets at fair value through profit or loss and the derivatives, which are partly carried at fair value through profit and loss held for trading and partly as fair value through profit and loss designated as a hedge – refer note 16.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

32 Financial risk management (continued)

32.8 Capital risk management

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders; and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

A maximum of 65 – 75% loan to value ratio (LTV) is targeted, subject to the board's view of markets, the prospects of and risks within the portfolio and the recurring cash flows of the business.

The policy complies with a loan covenant that limits the borrowings to not more than 70% – 80% of the value of the underlying security.

This ratio is calculated as net debt divided by carrying amount of investment properties and owner-occupied properties at year-end. Net debt is calculated by the group as total borrowings less short-term borrowings secured by cash deposits.

	2016 £'000	2015 £'000
The LTV ratios at 29 February 2016 and at 28 February 2015 were as follows:		
Total borrowings (including preference shares)	136 310	67 074
Less: Short-term borrowings secured by cash deposits	(5 725)	(6 484)
Net debt	130 585	60 590
Investment property and owner-occupied properties	201 579	125 352
LTV ratio	65%	48%

32.9 Fair value estimation

Effective 1 March 2009, the group adopted the amendment to IFRS 7 for financial instruments that are measured in the statement of financial position at fair value. This requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The following table presents the group's financial assets and liabilities that are measured at fair value at 29 February 2016:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss			
Securities	—	—	6 344
Non-financial assets at fair value through profit or loss			
Investment properties	—	—	196 879
Total assets	—	—	203 223
Liabilities			
Financial liabilities at fair value through profit and loss			
Contingent consideration	—	—	1 797
Trading derivatives			
Cross currency swap	—	7 854	—
Derivatives used for hedging			
Interest rate contracts	—	712	—
Financial liabilities at amortised cost			
Preference shares	28 288	—	—
Borrowings	—	—	99 455
Total liabilities	28 288	8 566	101 252

The following table presents the group's financial assets and liabilities that are measured at fair value at 28 February 2015:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss			
Trading securities	7 271	—	—
Non-financial assets at fair value through profit or loss			
Investment properties	—	—	120 552
Total assets	7 271	—	120 552
Liabilities			
Financial liabilities at fair value through profit and loss			
Contingent consideration	—	—	2 064
Trading derivatives			
Cross currency swap	—	1 765	—
Derivatives used for hedging			
Interest rate contracts	—	549	—
Financial liabilities at amortised cost			
Preference shares	34 753	—	—
Borrowings	—	—	32 321
Total liabilities	34 753	2 314	34 385

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

32 Financial risk management (continued)

32.9 Fair value estimation (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the period-end. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price.

The carrying amounts reported in the statement of financial position approximate fair values. Discounted cash flow models are used for trade and loan receivables. The discount yields in these models use calculated rates that reflect the return a market participant would expect to receive on instruments with similar remaining maturities, cash flow patterns, credit risk, collateral and interest rates.

The fair value of investment properties is based on rental yield valuations at the year-end.
Should UK property yields increase by 1%, the valuations would be lower by approximately £17.94 million.
Should UK property yields decrease by 1%, the valuations would be higher by approximately £24.57 million.
Should Namibia property yields increase by 1%, the valuations would be lower by approximately £2.13 million.
Should Namibia property yields decrease by 1%, the valuations would be higher by approximately £2.53 million.
Should Africa property yields increase by 1%, the valuations would be lower by approximately £0.86 million.
Should Africa property yields decrease by 1%, the valuations would be higher by approximately £1.04 million.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

There were no transfers between the levels 1 and 2 and 3 during the year.

33 Related parties

Related party relationships exist between the company, its subsidiaries and the directors of the company. See page 101 for details of major shareholders and directors' interest and page 93 for its subsidiaries.

Non-executive director, C H Wiese, is a director and indirect beneficial shareholder of Titan Share Dealers (Pty) Ltd, Granadino Investments (Pty) Ltd and Titan Global Investments (Pty) Ltd. He is also an employee of Chaircorp (Pty) Ltd, a management company that renders advisory services to Tradehold Limited in return for an annual fee. The amount paid of £137 140 (2015: £157 000) to Chaircorp (Pty) Ltd for advisory services to Tradehold Ltd are disclosed in note 23.2.2

During the year Mettle entered into certain joint secured funding transactions in partnership with Titan Share Dealers, in terms of which the profits are shared between the funding partners in proportion to the funding contributed. Interest of £127 133 (2015: £29 382) accrued to Titan Share Dealers during the year. The funding received from Titan was delegated to the Mettle Debt Fund En Commandite Partnership in February 2016. The Mettle group has no borrowings from Titan at the end of the year.

Ms C H Wiese is a beneficiary of The CH Wiese Family Trust, which Trust holds the shares of the Titan group of companies. During the year Reward entered into a finance agreement with Ms C H Wiese, in terms of which Reward borrowed an amount of £2 000 000. Interest of £38 128 accrued to Ms C H Wiese on this loan during the year. The loan is disclosed in note 20.4

Related party loans include a loan of £1.8 million from Africol Property Investments (Pty) Limited, and a loan of £1 million from Rundu Properties (Pty) Limited, both parties being sellers or affiliated to the sellers of the Namibia properties acquired in terms of the Collins group property acquisition described in note 27.6.1

The loans are disclosed in notes 15.2.10 and 20.5

Related party loans receivable include the following loans to companies whose directors or shareholders also serve on the board of Nguni Property Fund Ltd:

	£
Loan to Sand City Investments Fifty Seven (Pty) Ltd	438 392
Loan to Sand City Investments Fifty Six (Pty) Ltd	650
Loan to Sand City Investments Fifty Nine (Pty) Ltd	609
Loan to Sand City Investments Sixty (Pty) Ltd	631
Loan to Safland Investment Holdings (Pty) Ltd	21 148
Loan to Safland International Property Services (Pty) Ltd	47 896
Loan to Frontier Property Trust	90
Loan from Safland Property Services Namibia (Pty) Ltd	(26 651)
Related party loans receivable include a loan of	2 733 486
to Demashuwa Property Developers (Pty) Ltd, the 50% partner in Steps JV owned by the associate company Sand City 34 (Pty) Ltd.	
The loans receivable are disclosed in note 7.5	
Other payables and accrued expenses include a payable of	150 003
owing to Safland International Property Services (Pty) Ltd. Refer note 19	
Management fees of	92 023
were paid to Safland International Property Services (Pty) Ltd during the year.	
Property management fees of	122 570
paid by Nguni Property Fund Ltd to Safland Investment Holdings (Pty) Ltd prior to it becoming a subsidiary, were recouped from Safland Investment Holdings (Pty) Ltd during the year.	

All intergroup transactions have been eliminated in the annual financial statements and there are no other material transactions with related parties, except as set out in note 4

All joint venture arrangements and joint operations and loans receivable from / payable to joint ventures are disclosed in note 5

All associates and loans receivable from / payable to associates are disclosed in note 6

All intergroup transactions have been eliminated in the annual financial statements and there are no other material transactions with related parties, except as set out in note 4

Non-executive director, J M Wragge, is an employee and shareholder of Gritprop Investments (Pty) Ltd, a company that renders asset management services to the group. The amount paid of £85 565 (2015: £92 896) to Gritprop Investments (Pty) Ltd for asset management services to the group are disclosed in note 23.2.2

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

33 Related parties (continued)

	GROUP 2016 £'000	2015 £'000
Details of the directors shareholding are disclosed elsewhere in the annual financial statements.		
Details of directors remuneration is disclosed in note 23.2		
The executives of all operating companies are seen as key management personnel.		
The compensation of key management consist of:		
Salaries and short-term/termination benefits	859	655
Key management compensation was paid to:		
Executive directors	859	655

34 Share incentive scheme

34.1 At 28 February 2015 the trustees of the Tradehold Share Incentive Trust had nil (2015: nil) shares and share options under their control. The Tradehold Share Incentive Trust is dormant and in the process of being dissolved.

34.2 A new employee share option scheme was approved by shareholders during the current year. In terms of the rules of the Tradehold Limited Employee Share Trust the trustees are empowered to acquire shares and to grant share options, which in total may not exceed 5% of the issued share capital of the company.

The first award by the trustees of the Tradehold Limited Employee Share Trust was completed on 23 March 2016. Refer note 23.2.6

35 Events after the reporting period

There are no significant subsequent after year end which need to be adjusted for or additional disclosure required.

36 Segment information

Segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker ("CODM").

The CODM is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The group has determined that its CODM is made up of the executive board of directors of the group.

The operating segments have been determined based on the reports reviewed by the executive board of directors in making strategic decisions.

The executive board of directors monitor the business based on the following operating segments:
Property – United Kingdom
Property – Namibia
Property – Africa excluding Namibia
Short-term lending – United Kingdom
Short-term lending – South Africa
Other
The operating segments have been amended since the previous annual report in line with the recent changes in the operating segments and geography of the group.

The operating segments derive their revenue primarily from rental income from lessees, revenue from serviced office and hotel operations and income from short-term lending. All of the group's business activities and operating segments are reported within the above segments.

The executive directors assesses the performance of the operating segments based on a measure of adjusted operating profit, i.e. trading profit. This measurement basis excludes the effects of non-recurring expenditure from the operating segments such as restructuring costs, legal expenses, lease repair liabilities and impairment of loans.

The amounts provided to the board of directors in respect of total assets and total liabilities are measured in a manner consistent with that of the annual financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset. As all assets and liabilities have been allocated to the reportable segments, reconciliations of reportable segments' assets to total assets, and of reportable segments' liabilities to total liabilities, are not presented.

The segment information provided to the CODM for the reportable segments for the year ended 29 February 2016 is as follows:

	Property			Short-term lending			
£'000	United Kingdom	Namibia	Africa excluding Namibia	United Kingdom	South Africa	Other	Group total
Total segment revenue (external customers)	16 331	3 269	1 055	6 558	1 438		28 651
Operating profit / (loss)	9 051	4 266	1 053	4 678	384	(1 645)	17 787
Included in operating profit:							
Depreciation, impairment and amortisation	549		24	22	5	8	608
Fair value adjustment to investment property	4 375	2 072	238			(2 072)	4 613
Profit on disposal of investment properties	239						239
Impairment of goodwill							
Not included in operating profit:							
Finance income	4	4	11	4	294	3 283	3 600
Finance cost	1 929	1 431	41	40	215	3 028	6 684
Income tax expense	(710)	470	72	618	33	155	638
Total assets	188 461	30 329	39 155	33 729	11 276	16 108	319 058
Total assets include additions to the following non-current assets:							
Additions to property, plant and equipment	3 174	2	33	43	2		3 254
Additions to investment properties	22 871	32 130	26 398				81 399
Additions to goodwill	9 494		(1 083)		26	1 511	9 948
Additions to joint ventures	6						6
Additions to associates							
Total liabilities	190 533	26 015	42 188	30 676	7 167	(137 735)	158 844

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

36 Segment information (continued)

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2015 is as follows:

	Property			Short-term lending			
£'000	United Kingdom	Namibia	Africa excluding Namibia	United Kingdom	South Africa	Other	Group total
Total segment revenue (external customers)	12 245			5 146	3 340		20 731
Operating profit / (loss)	8 518		(290)	3 423	867	(1 563)	10 955
Included in operating profit:							
Depreciation, impairment and amortisation	282			23	60	7	372
Fair value adjustment to investment property	2 156						2 156
Profit on disposal of investment properties	1 359						1 359
Impairment of goodwill						1 288	1 288
Not included in operating profit:							
Finance income	2		13	3	22	769	809
Finance cost	931			23	414	921	2 289
Income tax expense	122			345	134	4	605
Total assets	129 332		18 347	21 361	8 827	29 669	207 536
Total assets include:							
Additions to property, plant and equipment	270			11	65	35	381
Additions to investment properties	51 700		2 845				54 545
Additions to goodwill						3 566	3 566
Additions to joint ventures							
Additions to associates					392		392
Additions to non-current loans receivable						1 817	1 817
Additions to non-current trade and other receivables					1 645		1 645
Total liabilities	132 627		18 849	20 480	4 576	(91 323)	85 209

INTEREST IN SUBSIDIARIES

Tradehold Limited and its subsidiaries at 29 February 2016

	Issued Share Capital	Percentage shares held by group 2016 %	2015 %
SUBSIDIARIES			
Tradegro Holdings (Pty) Ltd	ZAR40.296	100	100
Tradegro S.àr.l	£108 217 462	100	100
Tradegro (UK) Ltd	£2	100	100
Moorgarth Holdings (Luxembourg) S.àr.l	£12 500	95	95
Moorgarth Group Ltd	£100	100	100
Tauri Holdings S.àr.l	£12 500	75	75
Inception Holdings S.àr.l	£12 500	100	100
Moorgarth Properties (Luxembourg) S.à r.l	£4 859 850	100	100
Clumber Park Hotel LLP	£60 000	100	100
St Catherines Perth (l) S.àr.l	£12 499	100	100
London Office S.àr.l	£3 599 150	100	100
Nordic Lime Street S.àr.l	£11 000	100	100
Inception Living S.àr.l	£12 500	100	100
Ventia Ltd	£1 050	100	—
Queen Street Business Centre Ltd	£1	100	—
Golden Square Business Centre Ltd	£1	100	—
St John Street Busines Centre Ltd	£1	100	—
Thomas Street Business Centre Ltd	£100	100	—
Soho Square Business Centres Ltd	£100	100	—
Margaret Street Business Centre Ltd	£100	100	—
John Street Business Centre Ltd	£100	100	—
Queen Street (City) Business Centre Ltd	£100	100	—
Farringdon Street Business Centre Ltd	£100	100	—
Neal Street Business Centre Ltd	£100	100	—
Savoy Street Business Centre Ltd	£100	100	—
Bedford Square Business Centre Ltd	£100	100	—
Christopher Street Business Centre Ltd	£100	100	—
Whitefriars Street Business Centre Ltd	£100	100	—
Southampton Place Business Centre Ltd	£100	100	—
Wimbledon Business Centre Ltd	£100	100	—
Moorgarth Asset Management Ltd	£1	100	100
Wandle Point Ltd	£100	100	—
Apex Properties Ltd	£1 197 152	100	—
Revival Holdings Ltd	£199	100	—
The Boutique Workplace Company Ltd	£1	100	100
Cairnduff Developments Rutherglen Ltd	£10 575 771	100	100
St Catherines Perth (2) S.àr.l	£1	100	100
River Street Properties Investments Ltd	£1	100	100
Moorgarth Property Management Ltd	£1	100	100
Moorgarth Properties Ltd	£1	100	100
River Street Properties Ltd	£3 822 662	100	100
Moorgarth Leisure Ltd	£1	100	100
Moorgarth Property Investments Ltd	£1	100	100

INTEREST IN SUBSIDIARIES (CONTINUED)

Tradehold Limited and its subsidiaries at 29 February 2016

	Issued Share Capital	Percentage shares held by group 2016 %	2015 %
Reward Investments (No2) Ltd	£100	100	100
Reward Finance Group Ltd (formerly Reward Investments Ltd)	£10	70	100
Reward Capital Ltd	£1	70	—
Reward Invoice Finance Ltd	£1	70	—
Reward Trade Finance Ltd	£1	70	100
Decidely Alternative Ltd	£2	70	—
Truly Futures Ltd	£2	70	—
Tradehold Africa Ltd	USD100	100	100
Cognis 1, Limitada	MZN1.5 million	60	60
TC Mozambique Properties Ltd	USD100	100	100
TC Maputo Properties Ltd	USD100	71	71
Tradehold Solar Ltd	USD100	100	100
Tete Hollow Limitada	MZN50 000	100	—
Tradehold Mozambique Limitada	MZN50 000	100	—
Danbury Properties Ltd	USD100	100	—
Falcata Ltd	USD100	100	—
Eaglewing Ltd	USD100	100	—
First Properties (Pty) Ltd	ZMW500 000	100	—
Hospitality Properties (Pty) Ltd	ZMW2 000	100	—
Collwana Properties (Pty) Ltd	BWP100	100	—
Shaduff Investments (Pty) Ltd	BWP100	100	—
Chaeshire Properties (Pty) Litd	BWP100	100	—
Mettle Investments Pty Ltd	ZAR963	100	100
Mettle Specialised Finance (Pty) Ltd	ZAR2 601 000	100	100
Mettle Factors (Pty) Ltd	ZAR100	100	100
Mettle Trade Debtor Finance (Pty) Ltd	ZAR500 100	100	100
Mettle Administrative Services (Pty) Ltd	ZAR300	100	100
Mettle Medical Finance (Pty) Ltd	ZAR100	100	—
Mettle Vehicle Finance (Pty) Ltd	ZAR100	100	100
Mettle Corporate Finance (Pty) Ltd	ZAR120	100	100
Nguni Property Fund Ltd (formerly Safcoll Property Holdings (Pty) Ltd)	NAM $100	100	—
Sebastian Properties (Pty) Ltd	NAM $100	100	—

All subsidiary undertakings are included in the consolidation. The proportion of the voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held. The parent company further does not have any shareholdings in the preference shares of subsidiary undertakings included in the group.

Non-controlling interest for the year ended 28 February	2016 £	2015 £
Reward Finance Group Ltd	535 518	192 311
Moorgarth Holdings (Luxembourg) S.àr.l	(222 944)	19 563
Cognis 1, Limitada	(265 346)	(127 657)
	47 228	84 217

Summarised information on subsidiaries with material non-controlling interests.

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the group.

Summarised balance sheet

	Moorgarth Holdings (Luxembourg) S.àr.l		Reward Finance Group Ltd		Cognis 1, Limitada	
	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Current						
Assets	24 068	12 882	34 492	21 345	1 386	6 799
Liabilities	(13 725)	(5 900)	(32 745)	(20 362)	(75)	(6 800)
Total current net assets	10 343	6 982	1 747	983	1 311	(1)
Non-current						
Assets	166 719	116 449	38	17	37 269	13 707
Liabilities	(179 046)	(126 879)			(33 008)	(8 221)
Total non-current net assets	(12 327)	(10 430)	38	17	4 261	5 486
Net assets	(1 984)	(3 448)	1 785	1 000	5 572	5 485

Summarised income statement

	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Revenue	16 418	12 246	6 558	5 146	18	0
Profit/(loss) before taxation	916	4 058	3 018	2 444	18	(520)
Taxation	710	(122)	(630)	(345)		
Other comprehensive income/(loss)	(163)	(549)				
Total comprehensive income/(loss)	1 463	3 387	2 388	2 099	18	(520)
Total comprehensive income/(loss) allocated to non-controlling interests	(202)	437	703	825	(138)	220
Distributions paid to non-controlling partners	—	—	(564)	(883)		

Summarised cash flows

	2016 £'000	2015 £'000	2016 £'000	2015 £'000	2016 £'000	2015 £'000
Net cash (used in)/generated from operating activities	6 279	685	2 697	(3 859)		(520)
Net cash used in investing activities	(50 434)	(36 701)	(11 973)	(11)	(23 557)	(2015)
Net cash generated from financing activities	43 733	39 377	9 956	3 039	18 240	8 000
Net decrease in cash and cash equivalents	(422)	3 361	680	(831)	(5 317)	5 465
Cash and cash equivalents at beginning of the year	5 993	2 632	1 841	2 672	5 465	
Effect of changes in exchange rate						
Cash and cash equivalents at end of the year	5 571	5 993	2 521	1 841	148	5 465

The amounts shown above are before inter-company eliminations.

PROPERTY PORTFOLIO ANALYSIS

At 29 February 2016

1. 1. Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom				Industrial: total	15 619	9.86%	39.72	—	6.57%	3.25%
Ogden Road Industrial Estate, Doncaster	Dec 06	3 465	3 288	Industrial	3 351		29.84			
J4 Technology Park, Skelmersdale	Feb 07	2 862	1 600	Industrial	3 995		52.53			
Global Park, Colchester	Mar 15	3 779	4 000	Industrial	4 477		44.35			
Bath Road, Felling	Oct 03	672	700	Industrial	3 796		29.50			
United Kingdom				Leisure: total	13 066	8.25%	36.49	5.75%	2.83%	19.06%
Cookridge Street, Leeds				Leisure	617		133.80			
Market Place Bolton – Ikon		247	247	Leisure	2 490		0.00			
25 Lime St, London				Leisure	133		300.04			
Global Park, Colchester				Leisure	3 021		44.35			
Zambia										
Plot 9, Cairo Road, Lusaka, Zambia	Mar 15	1 794	2 213	Leisure	6 805		32.37			
United Kingdom				Offices: total	20 198	12.75%	146.98	2.15%	20.50%	4.77%
Wilmingtone Grove, Leeds	May 06	3 470	1 150	Offices	5 853		33.37			
Cookridge Street, Leeds	Sep 06	2 752	2 051	Offices	585		174.44			
Grays Inn, London	Jun 14	6 628	7 000	Offices	643		708.45			
Tagwright House				Offices	619		445.11			
25 Lime St, London	Dec 14	6 424	7 520	Offices	841		376.71			
24 Lime St, London	Apr 14	5 758	7 550	Offices	619		463.70			
Rutherglen				Offices	152		49.38			
Global Park, Colchester				Offices	145		44.35			
Park Place, Leeds	Apr 15	786	786	Offices	541		109.14			
Central House, Leeds	Dec 14	1 603	2 823	Offices	942		241.29			
Wigmore Street, London	Apr 14	5 360	7 000	Offices	418		1 195.99			
Westbourne Centre, Barrhead	Oct 05	4 050	1 700	Offices	1 077		72.60			
Namibia										
Mutual Platz, Windhoek	Mar 15			Offices	7 763		58.97			

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom				Retail: total	102 613	64.78%	96.90	4.75%	65.78%	11.13%
Ogden Road Industrial Estate, Doncaster				Retail	2 835		59.96			
Westbourne Centre, Barrhead				Retail	2 825		92.68			
Bitterne, Southampton	Sep 04	1 756	2 075	Retail	1 563		130.17			
High Street, Bromsgrove	Sep 04	1 272	940	Retail	1 634		49.57			
High Street, Johnstone	Oct 03	335	435	Retail	626		95.91			
Main Street, Baillieston	Oct 03	237	325	Retail	734		72.21			
High Street, Irvine	Oct 03	300	150	Retail	601		45.77			
24 Lime St, London				Retail	244		409.74			
25 Lime St, London				Retail	17		1 603.14			
Dalrympal Street, Girvan	Oct 03	147	245	Retail	525		51.44			
Grays Inn, London				Retail	29		325.70			
St Catherine's Perth	Jun 11	12 132	12 600	Retail	6 039		149.57			
Market Place, Bolton	Nov 13	24 860	41 249	Retail	32 729		128.94			
Rutherglen	May 12	7 700	11 820	Retail	9 603		108.56			
Zambia										
Plot 729, Cairo Road, Lusaka, Zambia	Mar 15	2 297	2 009	Retail	3 009		74.03			
Plot 12, Cairo Road, Lusaka, Zambia	Mar 15	1 325	1 390	Retail	1 736		81.36			
Botswana										
Lot 1232, Maun, Botswana	Mar 15	550	391	Retail	816		56.32			
Lot 1602, Letlhakane, Botswana	Mar 15	1 177	837	Retail	1 944		48.15			
Lot 273 – 274, Francistown, Botswana	Mar 15	1 784	1 269	Retail	1 440		80.18			
Namibia										
Rundu Shopping Mall, Rundu	Mar 15	8 197	8 981	Retail	13 772		60.00			
MegaCentre, Windhoek	Mar 15	5 771	5 845	Retail	8 920		57.97			
Mutual Platz, Windhoek	Mar 15	10 531	11 636	Retail	10 732		71.49			
M&Z Ondangwa	Mar 15	480	411	Retail	240		111.78			
United Kingdom				Residential: total	6 902	4.36%	83.20	2.07%	4.32%	8.14%
Tagwright House	41 974	13 370	15 600	Residential	1 086		373.40			
119 – 125 Marygate, Berwick upon Tweed	37 895	580	210	Residential	295		60.92			
Mozambique										
Tete Hollow, Tete	Mar 15	2 077	1 858	Residential	5 000		30.11			
Cognis housing development – Maputo	Dec 14	26 850	26 850	Residential under construction						
Namibia										
Rundu Flats	Mar 15	125	125	Residential	521		15.73			
			196 879		158 398	100%			100%	46%

The average annualised rental yield of the above properties amounts to 7.75%

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

At 29 February 2016

2. Tenant profile

	%
A – Large nationals, large listeds, government and major franchisees	28.3
B – Nationals, listeds, franchisees, and medium to large professional firms	10.4
C – Other	61.3
	100.0

3. Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	There-after (%)
Industrial	5.9%	0.3%	0.1%	0.3%
Leisure	1.1%	1.2%	0.0%	0.5%
Offices	14.1%	2.1%	3.4%	1.0%
Retail	9.0%	4.6%	11.6%	40.6%
Residential	2.3%	1.9%	0.0%	0.0%
	32.4%	10.1%	15.1%	42.4%

4. Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	There-after (%)
Industrial	7.9%	0.4%	0.2%	1.3%
Leisure	2.4%	3.4%	0.0%	2.0%
Offices	6.7%	1.7%	3.4%	0.9%
Retail	12.7%	3.1%	6.1%	43.9%
Residential	1.1%	2.9%	0.0%	0.0%
	30.7%	11.5%	9.7%	48.1%

At 28 February 2015

1. Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") sq m	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
				Industrial: total	15 255	16.8	36.38	—	5.1	0.4
Ogden Road Industrial Estate, Doncaster	Dec 06	3 465	3 200	Industrial	3 351		29.84			
J4 Technology Park, Skelmersdale	Feb 07	2 862	1 600	Industrial	3 995		52.53			
Constantine Street, Oldham	Feb 05	1 552	1 650	Industrial	4 112		32.34			
Bath Road, Felling	Oct 03	672	700	Industrial	3 796		29.50			
Cookridge Street, Leeds				Leisure	6 637	0.7	133.80		0.8	0.0
				Offices: total	11 823	13.1	212.59	1.0	23.1	7.3
Wilmingtone Grove, Leeds	May 06	3 470	1 150	Offices	5 853		33.37			
Cookridge Street, Leeds	Sep 06	2 752	1 945	Offices	585		174.48			
Grays Inn, London	Jun 14	6 628	6 648	Offices	643		708.48			
Tagwright House				Offices	619		445.09			
25 Lime St, London	Dec 14	6 424	6 425	Offices	992		388.04			
24 Lime St, London	Apr 14	5 758	6 000	Offices	814		352.73			
Rutherglen				Offices	152		49.38			
Central House, Leeds	Dec 14	1 603	1 612	Offices	893		254.57			
Wigmore Street, London	Apr 14	5 360	7 000	Offices	418		1 195.99			
Westbourne Centre, Barrhead	Oct 05	4 050	2 100	Offices	855		91.49			
				Retail: total	61 500	67.9	118.73	3.5	67.1	13.0
Ogden Road Industrial Estate, Doncaster				Retail	2 835		59.96			
Westbourne Centre, Barrhead				Retail	2 861		91.49			
Bitterne, Southampton	Sep 04	1 756	2 075	Retail	1 563		108.72			
Boundary Road, Prestwick	Feb 06	800	1 425	Retail	1 672		86.76			
High Street, Bromsgrove	Sep 04	1 272	940	Retail	1 634		49.51			
High Street, Johnstone	Oct 03	335	435	Retail	626		95.91			
Main Street, Baillieston	Oct 03	237	325	Retail	734		72.23			
High Street, Irvine	Oct 03	300	220	Retail	601		45.75			
24 Lime St, London				Retail	49		2 030.94			
Dalrympal Street, Girvan	Oct 03	147	245	Retail	525		51.45			
Grays Inn, London				Retail	29		325.72			
St Catherine's Perth	Jun 11	12 132	12 600	Retail	6 039		149.62			
Market Place, Bolton	Nov 13	24 860	29 189	Retail	32 729		128.95			
Rutherglen	May 12	7 700	9 465	Retail	9 603		108.61			
				Residential: total	1 382	1.5	306.56	—	3.9	0.6
Tagwright House	41 974	13 370	14 000	Residential	1 086		373.40			
119 – 125 Marygate, Berwick upon Tweed	37 895	580	270	Residential	295		60.92			
			111 219		96 597	100.0			100.0	21.3

All of the above properties are located in the United Kingdom. The average annualised rental yield of the above properties amounts to 8.2%.

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

At 28 February 2015

2. Tenant profile

	%
A – Large nationals, large listeds, government and major franchisees	55.8
B – Nationals, listeds, franchisees, and medium to large professional firms	5.6
C – Other	38.6
	100.0

3. Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	There-after (%)
Industrial	5.9	0.8	0.0	0.0
Leisure	3.7	0.0	0.9	0.2
Offices	11.0	1.7	1.1	1.0
Retail	18.3	3.9	4.0	46.5
Residential	1.0	0.0	0.0	0.0
	39.9	6.4	6.0	47.7

4. Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	There-after (%)
Industrial	13.0	3.7	—	—
Leisure	—	—	0.7	0.3
Offices	9.6	1.1	0.6	1.2
Retail	36.0	3.4	1.7	27.1
Residential	1.6	—	—	—
	60.2	8.2	3.0	28.6

SHAREHOLDERS' PROFILE

Tradehold Limited nad its subsidiaries at 29 February 2016

	Number of holders	Percentage of shareholders	Number of shares held	Percentage holding
Distibution of shareholders				
Non-public shareholders				
Directors	5	0.32	120 992 429	64.28
Public shareholders	1 573	99.68	67 247 473	35.72
Total	1 578	100.00	188 239 902	100.00

	Number of shares held	Percentage holding
Major shareholders		
Granadino Investments (Pty) Ltd	79 382 297	42.2
Titan Global Investments (Pty) Ltd	28 695 605	15.2
Titan Share Dealers (Pty) Limited	9 792 344	5.2

Directors' interest

At 28 February 2016 the interest of the directors in the issued shares in the company were as follows:

	Direct beneficial	Indirect non-beneficial	Total 2016	Total 2015
F H Esterhuyse	35 315	2 396 953	2 432 268	1 694 625
D A Harrop	—	—	—	—
K L Nordier	127 151	—	127 151	48 219
M J Roberts	—	—	—	—
H R W Troskie	—	—	—	—
T A Vaughan	532 456	—	532 456	532 456
C H Wiese	—	117 870 246	117 870 246	117 870 246
J D Wiese	—	30 308	30 308	30 308
J M Wragge	—	—	—	—
	694 922	120 297 507	120 992 429	120 175 854

There have been no changes in the interest of the directors between 29 February 2016 and the date of approval of these annual financial statements.

SHAREHOLDERS' INFORMATION

Enquiries

Enquiries relating to shareholdings in the company such as the loss of share certificates, dividend payments, or to notify change of address and/or bank account details, please write to the registrars: Computershare Investor Services (Pty) Ltd, P O Box 61051, Marshalltown, 2107.

If you have received more than one copy of this annual report, there may be more than one account in your name on the company's register of members. If you would like to amalgamate your holdings, write to the registrars, detailing the accounts concerned and instructions on how they should be amalgamated.

Additional copies of annual financial statements

Additional copies of the report are obtainable from:
South Africa: The Company Secretary, Tradehold Ltd, 36 Stellenberg Road, Parow Industria, 7493, telephone number: +27 21 929 4800.
United Kingdom: The Company Secretary, Moorgarth Group Ltd, 47 St.Paul's Street, Leeds, W Yorkshire LS1 2TE, telephone number: +44 113 246 2711.
Europe: Tradehold Ltd, Fourth Floor, Avantech Building, St Julian's Road, San Gwann SGN 2805, Malta, telephone number: +356 214 463 77.

Share transactions totally electronic ("STRATE")

In July 2001 the company has transferred its share capital to the electronic settlement and custody system, STRATE, designed to achieve contractual, rolling and irrevocable settlement. Shareholders who have not lodged their share certificates with a Central Securities Depositary Participant ("CSDP") or qualifying broker of their choice, are encouraged to do so. Currently all trade in the company's shares take place electronically, resulting in shareholders not being able to sell their Tradehold shares unless they exist in electronic form in the STRATE environment. Any questions with regard to the transfer to STRATE may be directed to the company secretary at telephone number +27 21 929 4800 or the registrars, Computershare, at telephone number +27 11 370 5000.

Payment of dividend directly into shareholders' bank accounts

Shareholders who do not currently have their dividend paid directly into a bank account and who wish to do so should complete a mandate instruction obtainable from the company's registrars at the above address.

FORM OF PROXY

Tradehold Limited and its subsidiaries for the year ended 29 February 2016

TRADEHOLD LIMITED
Registration number 1970/009054/06
Incorporated in the Republic of South Africa
JSE Code: TDH ISIN: ZAE000152658

To be completed by certificated shareholders and dematerialised shareholders with own name registration only.

For use at the annual general meeting of members to be held at 10:00 on Thursday, 11 August 2016 in the boardroom at the head office of Pepkor Limited, 36 Stellenberg Road, Parow Industria 7493.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with own name registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or broker concerned.

I/We (full names and surname in block letters) ....

of (full address) ....

....

as a member of Tradehold Limited, being the registered holder of .... shares in the company, hereby appoint:

1. .... or

2. .... or

3. THE CHAIRMAN OF THE MEETING
as my/our proxy to attend, speak and vote on my/our behalf, as indicated below, at the annual general meeting of shareholders of Tradehold Ltd to be held at 10:00 on 11 August 2016 and at any adjournment thereof:

Indicate with an X in the appropriate block:

Ordinary resolutions

		In favour of	Against	Abstain
Adoption of the annual financial statements	1.			
Re-appointment of PricewaterhouseCoopers Inc	2.			
Re-appointment of Dr CH Wiese to the Board	3.			
Re-appointment of Mr JM Wragge to the Board	4.			
General authority to directors to issue shares for cash	5.			
General authority to issue shares	6.			
Election of members of audit committee	7.			
Election of members of social and ethics committee	8.			
Election of members of the remuneration committee	9.			

Special resolution

Confirmation of the directors' remuneration	1.			
Financial assistance in terms of s. 45	2.			
Financial assistance in terms of s. 44	3.			
General authority to directors to repurchase the company's shares	4.			

Signed at ....this .... day of 2016

Signature ....

FORM OF PROXY (CONTINUED)

NOTES:

A member entitled to attend and vote at the annual general meeting shall be entitled to appoint one or more persons, who need not be members of the company as his proxy to attend and speak, to vote, abstain and give or refuse consent to a decision contemplated in section 60 of the Companies Act of 2008, in his place.

If a proxy form, duly signed, is lodged without specific directions as to which way the proxy is to vote, the proxy will be deemed to have been authorized to vote as he thinks fit.

3. A proxy appointment:
   (a) must be in writing, dated and signed; and
   (b) remains valid for:
      (i) one year after the date on which it was signed; or
      (ii) any longer or shorter period expressly set out in the appointment unless it is revoked in a manner contemplated in Section 58(4)(c) or expires earlier as contemplated in section 58(8)(d).

4. If the proxy is signed under power of attorney or on behalf of a company, such power or authority, unless previously registered with the company, must accompany it.

5. Shareholders who have dematerialised their shares with a CSDP or stockbroker, other than own name registration, must arrange with the CSDP or stockbroker concerned to provide them with the necessary authorisation to attend the annual general meeting or the shareholders concerned must instruct them as to how they wish to vote in this regard. This must be done in terms of the agreement entered into between the shareholder and the CSDP or stockbroker concerned.

6. Any alteration to the form of proxy must be signed, not initialled.

7. Where there are joint holders of shares and if more than one of such joint holders is present or represented, then the person whose name appears first in the register in respect of such shares or his/her proxy, as the case may be, shall alone be entitled to vote in respect thereof.

8. The completion and lodging of this form of proxy will not preclude the signatory from attending the annual general meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.

9. Proxies must reach the company secretary at his office at 36 Stellenberg Road, Parow Industria 7493 (P O Box 6100, Parow East 7501) at least 48 hours before commencement of the meeting.

DIRECTORATE AND ADMINISTRATION

Directorate

C H Wiese (74)†
B A, LL B, D Com (HC)
Chairman

M J Roberts (69)* +
B A

H R W Troskie (46)*+
B Juris, LL B, LL M

J D Wiese (35)†
B A, LL B, M Com
alternate to C H Wiese

J M Wragge (68) *

T A Vaughan (50)#
B Sc Hons, MRICS

F H Esterhuyse (46)
B Acc Hons, M Com, CA(SA)

K L Nordier (49)#
B Acc, BCompt Hons, CA (SA)
Financial director

D A Harrop (46)#
B A Hons, ACA

Executive
* Non-executive and member of audit committee and social and ethics committee
† Non-executive
+Non-executive and member of the remuneration committee

Administration

Company secretary
F M ver Loren van Themaat

PO Box 6100
Parow East 7501

Sponsor
Bravura Capital (Pty) Ltd

Registrars
Computershare Investor Services (Pty) Ltd
PO Box 61051
Marshalltown 2107
Telephone: +27 11 370 5000
Facsimile: +27 11 370 5487

Registered office/number
Tradehold Limited
Registration number 1970/009054/06
Incorporated in the Republic of South Africa
36 Stellenberg Road
Parow Industria 7493
PO Box 6100
Parow East 7501
Telephone: +27 21 929 4800
Facsimile: +27 21 929 4785

Business address
Fourth Floor
Avantech Building
St Julian's Road
San Gwann SGN 2805
Malta
Telephone: +356 214 463 77

Auditors
PricewaterhouseCoopers Inc

Project management: De Kock Communications
Design and layout: Fresh Identity

TRADEHOLD
LIMITED

www.tradehold.co.za