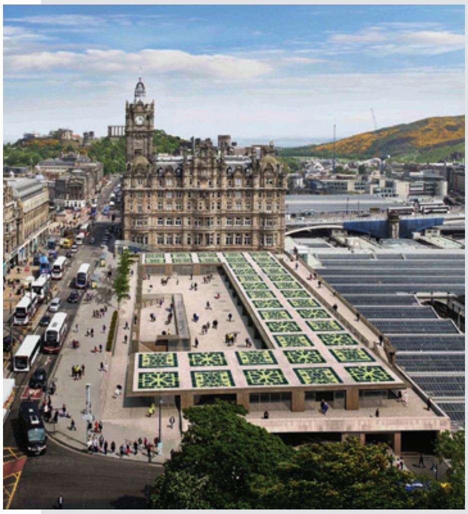
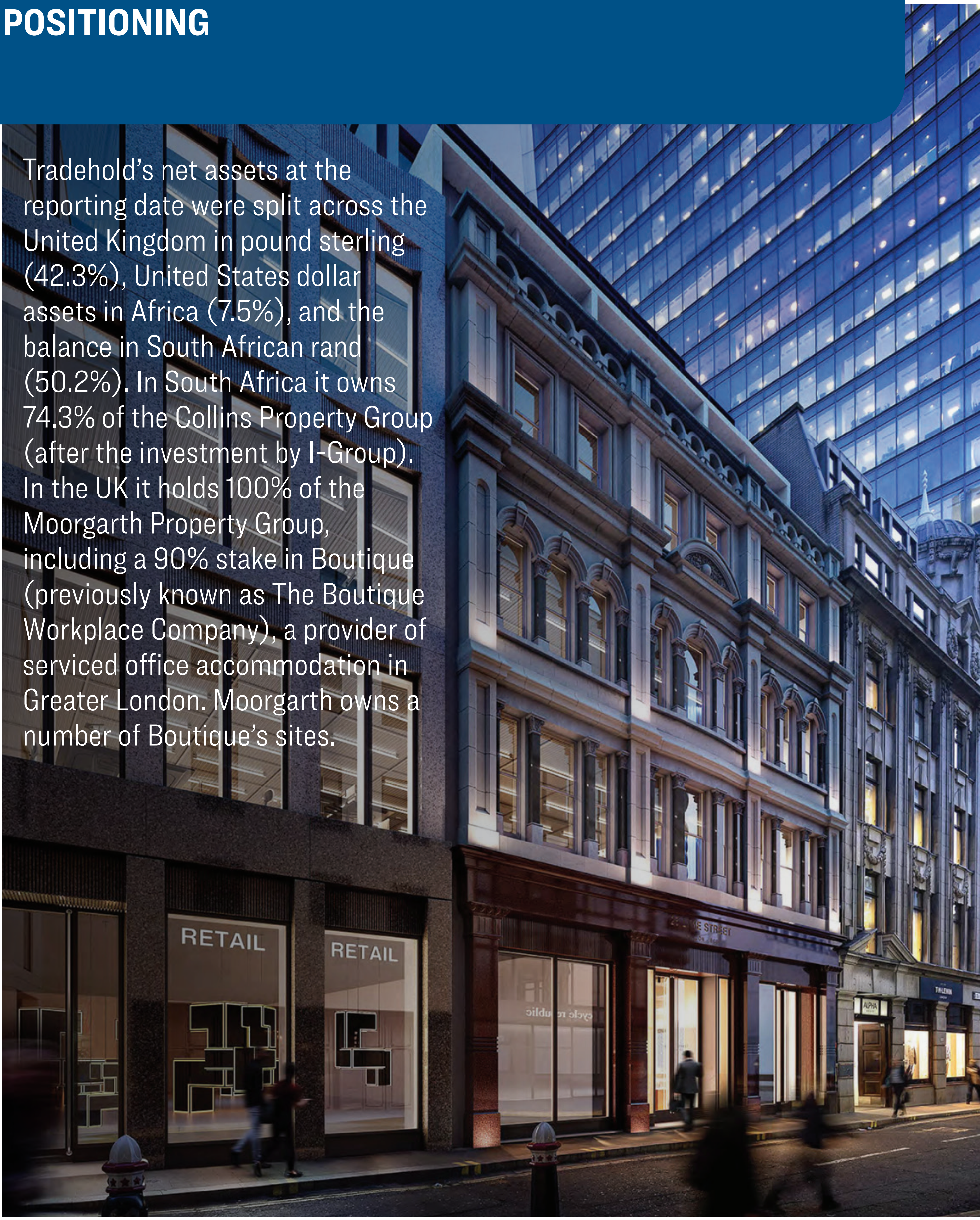
TRADEHOLD LTD

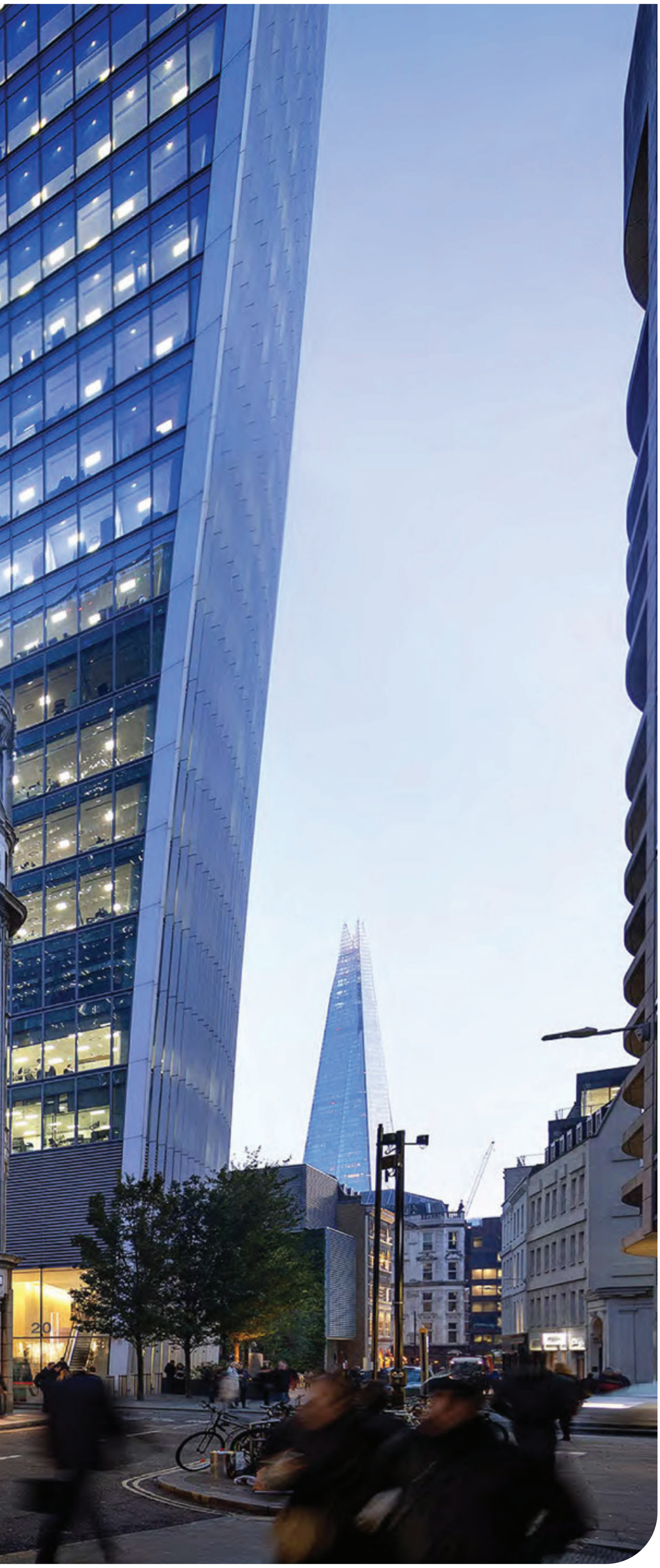


INTEGRATED REPORT 2020

POSITIONING

Tradehold’s net assets at the reporting date were split across the United Kingdom in pound sterling (42.3%), United States dollar assets in Africa (7.5%), and the balance in South African rand (50.2%). In South Africa it owns 74.3% of the Collins Property Group (after the investment by I-Group). In the UK it holds 100% of the Moorgarth Property Group, including a 90% stake in Boutique (previously known as The Boutique Workplace Company), a provider of serviced office accommodation in Greater London. Moorgarth owns a number of Boutique’s sites.





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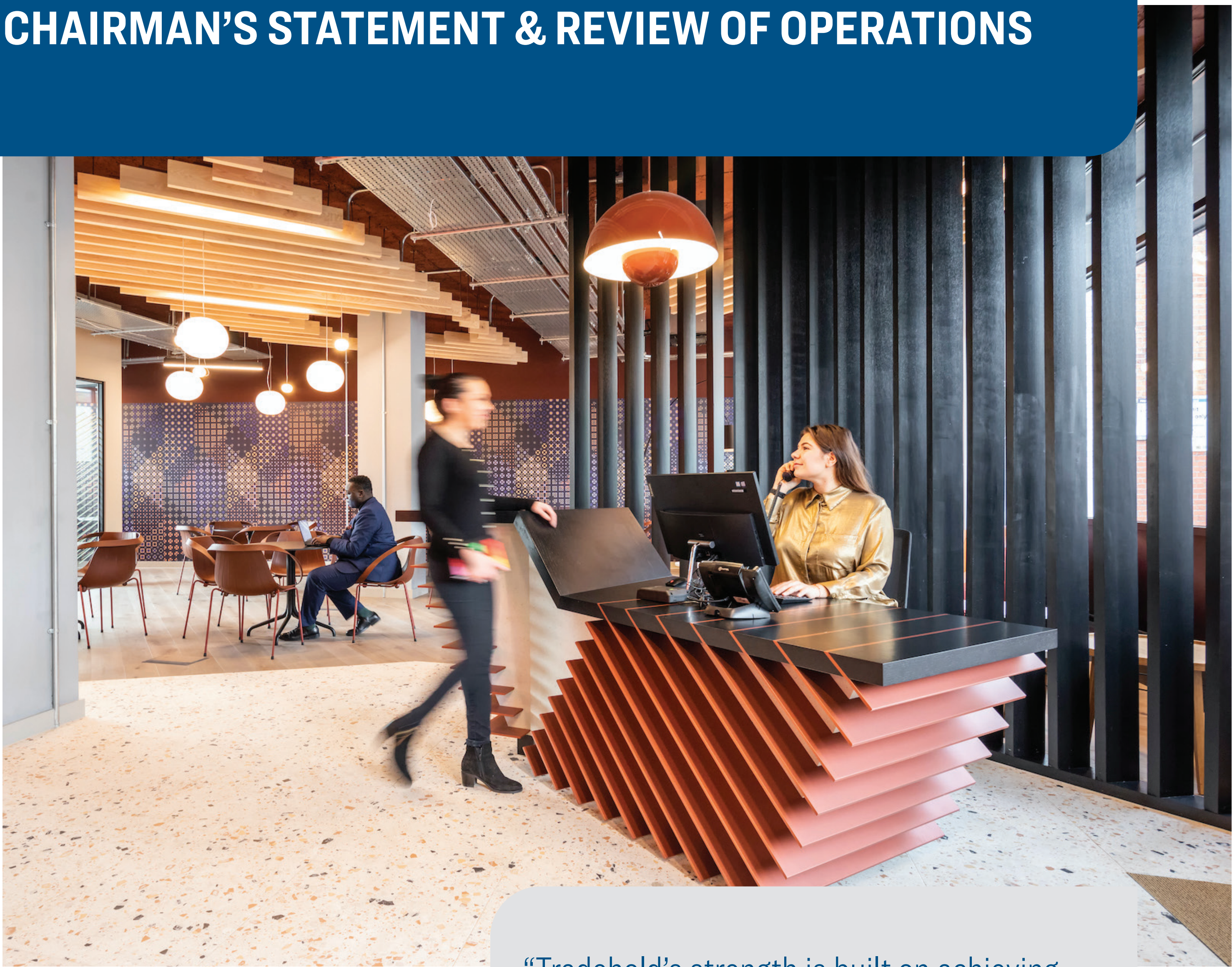
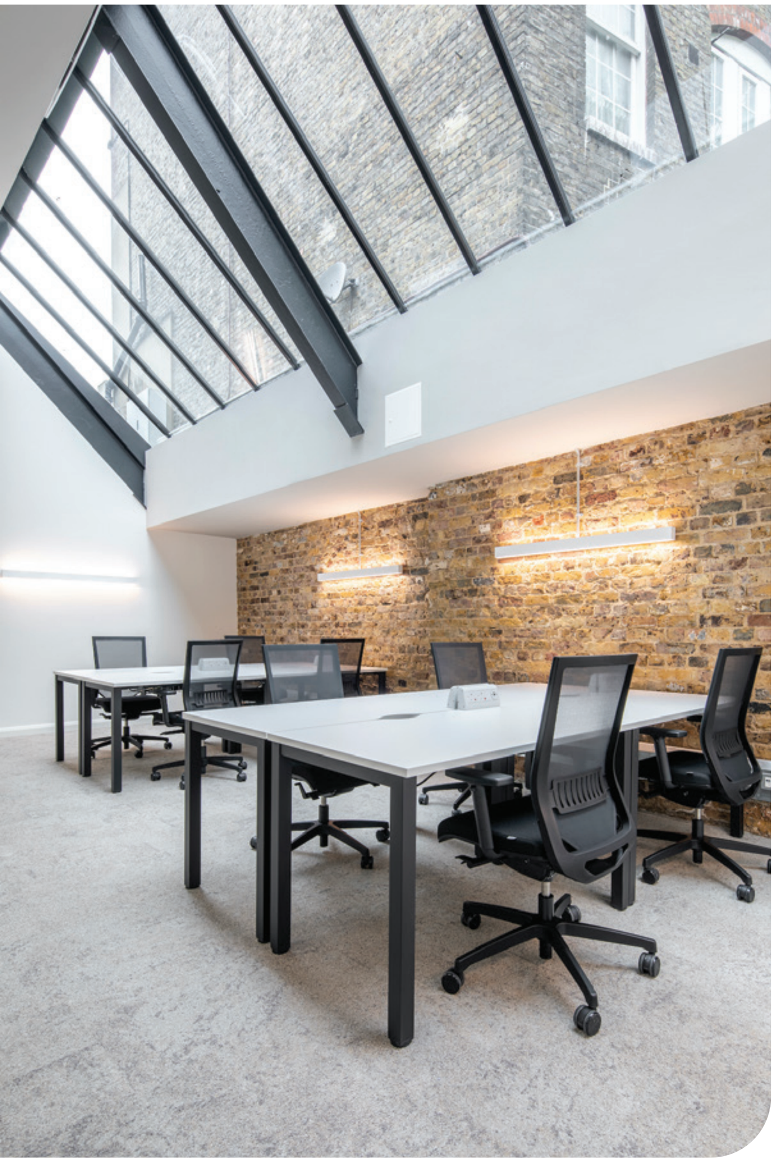
CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS



"Tradehold's strength is built on achieving economic sustainability in adverse market conditions. In the short term, the board of directors will continue to focus on measures needed to keep the Group profitable despite the many challenges confronting it in the various markets in which it operates."

CH Wiese – *Chairman*



Business environment

For Tradehold's subsidiaries the business environment remained extremely challenging. In South Africa, the economy already in recession, was dealt a further blow with a downgrade to junk status by the last of all the major international rating agencies; economic policy uncertainty has persisted and, with that, a lack of investor confidence. Eskom's inability to provide a consistent power supply has further inhibited growth while causing massive production losses in the mining sector. In this environment the economy grew by less than 1%, offering no relief as far as the high unemployment levels are concerned. We can expect that even greater demands will be made on the economy, with the country's already high public debt projected to rise significantly as a result of the prevailing Covid-19 pandemic.

In the UK, even before the coronavirus hit with such devastating effect, economists were predicting that 2020 would be another turbulent year of low economic growth of 1% at best. The final three months of the year with the run-up to the election and the uncertainties surrounding Brexit ever present, saw no growth at all. Little came of the expected "Boris Bounce" after the Conservative Party's resounding win.

Collins Group

Despite the extremely demanding business environment in which it operated, Collins Group enjoyed a good year, producing a considerably improved operating performance. This was mainly due to lease escalations in its long-term contracts and a significantly reduced net finance cost with a R500 million capital injection at the beginning of the year, used to bring down debt levels. These funds were part of the proceeds from a R833 million capital raise through the subscription of a 25.7% shareholding in Collins Group by U Reit Collins (Pty) Ltd (I-Group) early in the financial year. The injection of capital enabled the company to reduce its gearing, in the process lowering loan to value (LTV) from 67.5% to 61.8%. The company could also start restructuring its debt more efficiently.

In the year to February, Collins increased its profit by 55.8% from R206 million to R321 million.

Its property portfolio, valued at R8.8 billion and comprising largely industrial and commercial buildings, offers a total of about 1.5 million square metres of gross lettable area (GLA). The main focus remains quality industrial and distribution centres which represent about 83% of total GLA. As many corporates are at present postponing investment decisions, not many opportunities present themselves to grow the size of the portfolio at this stage. The Group nevertheless managed to develop five new properties. More than 80% of the rental income they generate is backed by 10- to 15-year leases. Among the new tenants are SPAR, Boxer and The Cure Day Clinic Group.

In addition to pursuing new opportunities, management's main focus was on protecting the income stream through meticulous attention to the needs of existing clients. They include Nampak, Sasol, Unilever, MassMart and Pep. Vacancies reduced to 1.26% at year-end from 1.95% at the half-year. The weighted average lease expiring profile remains at almost seven years.

As part of its defensive strategy introduced more than a year ago, Collins continued to dispose of non-core assets. Of the 37 mainly smaller commercial buildings originally identified for disposal, 26 have been sold to date, 16 during the reporting period. These 16 were sold for R158 million, at R26.3 million below book value. Several of these buildings had been standing vacant or carried a high covenant risk so the decision was to dispose of them even if it had to be at below book value.

Stakeholder approach

As our shareholders and stakeholders are the main users of the integrated report, its contents was determined by their needs.

Financial performance

Total assets now amount to £883 million (2019: £859 million). Revenue was £94.6 million (2019: £96.4 million) and profit before taxation increased to £17.4 million (2019: £14.2 million). Total profit attributable to shareholders decreased to £5.99 million (2019: £13.2 million), adversely affected by an increase in taxation payable of £6.6 million, mainly due to an increase in the deferred tax expense of Collins, and an increase in the non-controlling share by £3.6 million, mainly due to the I-Group non-controlling interest in Collins.

Headline earnings per share was 9.5 pence, up from 8 pence, and tangible net asset value per share (as defined by management) was 120 pence / R 24.05, compared to 123.7 pence / R22.97 in the corresponding year.

The sum-of-the-parts valuation per share (as defined by management) was 122.8 pence /

R24.6, compared to 126.5 pence / R23.50 in the corresponding period.

CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS (CONTINUED)

For the foreseeable future management will continue to focus on protecting its income stream and on preserving and strengthening its cash resources. It has substantial operational cash resources with access to additional funds generated by the I-Group transaction. Management is confident in its resources to weather the present abnormal conditions for more than 12 months if necessary.

The total Collins portfolio was £438 million (R8 776.3 million) at the reporting date, compared with £464.7 million (R8 634 million) as at 28 February 2019. The value has been adversely affected by the currency deterioration of the South African rand to pound sterling (R20.04 at the reporting date compared to R18.58 at 28 February 2019).

Collins Group contributed £13.2 million (2019: £11.4 million) to net profit after minorities.

The Collins Group's total contribution to tangible net asset value per share is 59.3 pence (R11.88) (2019: 58.4 pence (R10.84)).

Moorgarth

Despite the turbulent and extremely challenging market conditions in the UK, Moorgarth achieved solid results for the year, and managed to report an operating profit of £5.5 million as against a budget of £5 million. The company had a number of its larger properties, including its shopping centres, revalued by external consultants at half-year and year-end, which led to an impairment of £13.6 million. The total value of its investment property at year end (including JV2) was £243.1 million. .

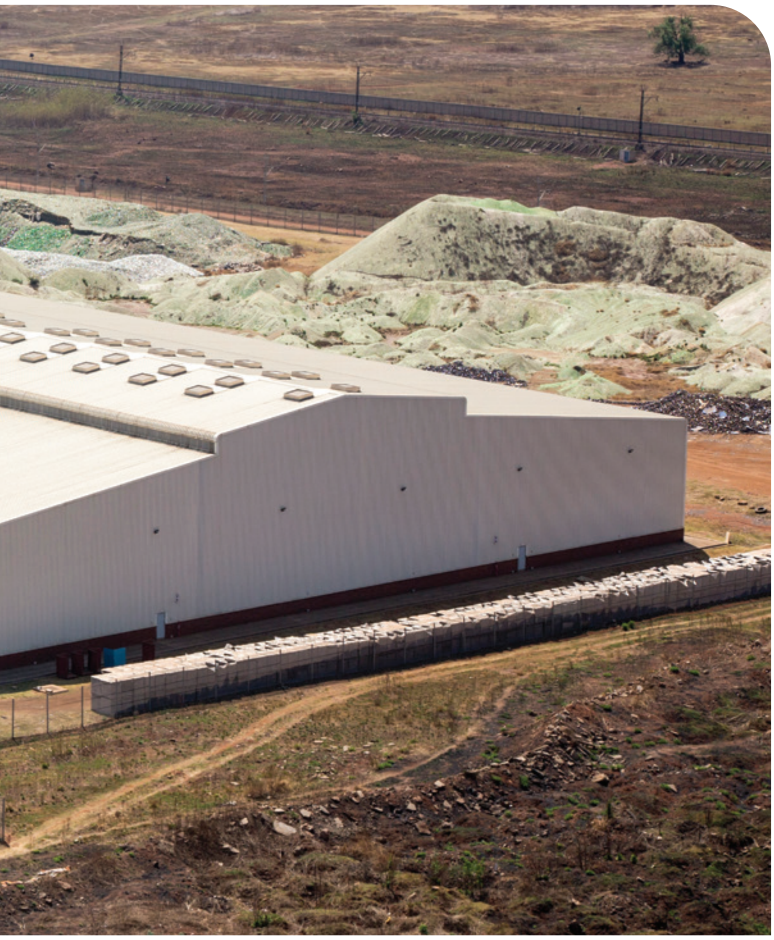
During the reporting period the property industry, in particular the retail sector, like so many others was severely affected by a business environment still plagued by the uncertainties surrounding Brexit. An increasing number of retail tenants defaulted through insolvency or company voluntary arrangements (CVAs).

Despite market conditions, Moorgarth's vacancy rate within its retail estate reduced to 5.6% after taking into account all contracted new lettings concluded before the year end. Vacancy in its office portfolios was 0.9% and 1.3% in its leisure portfolio. This was achieved by management working proactively in securing new substantial lettings at its centres, in particular in Reading and Waverley in Edinburgh where vacancy rates saw the largest fall. New lettings in its office portfolio in both its central London and regional office estate also enabled the group to reduce its vacancy rate.

To increase their viability, Moorgarth embarked on an extensive programme of repurposing its centres to broaden their attraction for consumers. Footfall increased by between 11% and 15% in two of its larger centres, thanks to an expanded tenant mix to accommodate the rising demand for health and wellness, hospitality, entertainment and community-oriented facilities. The reliance on retail is being steadily reduced, to align with major changes in consumer buying trends, notably the rise in e-commerce.

Other significant gains during the year include the finalisation of planning permission for the extension of Waverley Mall in Edinburgh; securing planning permission and a pre-let for a 101-bedroomed hotel in Reading; planning permission for 422 apartments on the roof of Broad Street Mall in Reading (a few days after year-end); formal planning permission for the redevelopment of its office property in Lime Street, City of London; and completing the refurbishment of its office in London Euston, now let to Boutique.

The objective for its shopping centre portfolio is to create a place where people live, work, shop and spend their free time – an almost self-sufficient community within the greater urban context. Planning consent has been obtained for all aspects of the project in Reading.



Moorgarth's share of group net profit was a loss of £8 million, against a profit of £4.2 million in 2019. The value of Moorgarth's portfolio (excluding IFRS 16 right-of-use assets) dropped to £239.6 million from £256.7 million if its interest in joint ventures (not reflected in the balance sheet) is included.

The decrease was mainly due to fair-value losses (excluding IFRS 16 fair-value losses on right-of-use assets) of £13.6 million (2019: gain of £393 481) on investment properties, as well as the re-classification of the office building occupied for 40% by Moorgarth and valued at £3.1 million, from investment properties to property plant and equipment during the year .

Moorgarth's contribution to tangible net asset value per share was 44.9 pence (R9) (2019: 49.6 pence (R9.21)).

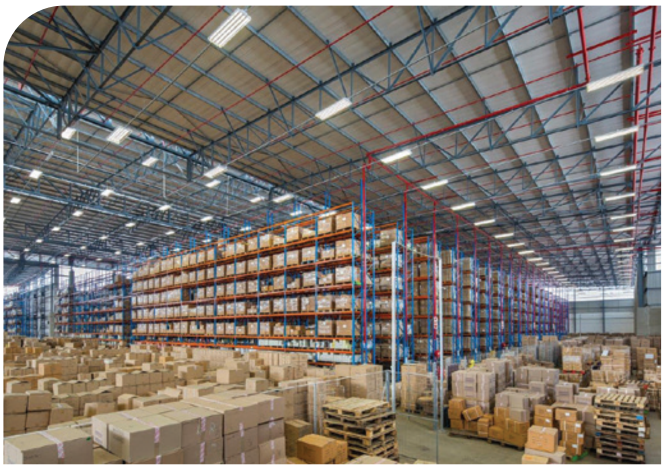
Boutique

Moorgarth continues to work closely with its serviced office business Boutique (previously The Boutique Workplace Company or TBWC) in acquiring suitable properties, predominantly in Greater London, which are then refurbished to suit Boutique's needs. One such property is Connolly Works, a centrally located building in Euston. After its renovation, it was fully sublet by Boutique for a period of ten years.

Boutique, which offers flexible office accommodation as opposed to co-working space, operates from 31 buildings offering a total of 4 500 individual work stations with a pipeline under contract of a further 500. Unlike co-working, where different entities share desk space in an open office environment, Boutique provides clients with a traditional private office environment with access to shared facilities and breakout areas. Particularly in the present environment, this enables tenants to decide for themselves the extent of their contact with others, to maintain social-distancing requirements and manage their hygiene regimes independently.

Boutique performed well throughout the reporting period, maintaining an occupancy level of 92%. In addition, for the first time it achieved a monthly revenue exceeding £2 million. The company has also agreed a number of management contracts with third-party landlords aimed at increasing top-line sales while preserving cash.

Boutique's EBITDA (earnings before interest, tax, amortisation and depreciation) for the financial year was £2.1 million (2019: £1.7 million), before adjusting for the new IFRS 16 reporting requirements.



CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS (CONTINUED)

Nguni Group (Namibia)
Namibia's economy, which is heavily dependent on mining and agriculture, continued to contract during the reporting period. Tradehold owns a number of top-quality retail and commercial properties as well as some vacant land for development in that country. The retail properties form the core of the portfolio which, in total, offers some 60 000 square metres of gross lettable space, and the company owns shopping centres not only in Windhoek, the capital, but also in several of the larger towns. The latest addition is a 10 000 square metre shopping centre recently completed in Gobabis, east of Windhoek, which is anchored by Shoprite.

The value of the Namibian portfolio was £37 million (R743 million) at the reporting date, compared with £40.8 million (R757 million) on 28 February 2019. The value has been adversely affected by the currency deterioration of the South African rand to pound sterling (R20.04 at the reporting date compared to R18.58 at 28 February 2019), as well as fair-value losses of R22 million on investment properties during the year.

Namibia reported a net loss after minorities of £0.4 million (2019: net loss of £1.1 million). The improvement is mainly due to a lower fair-value loss on investment properties during the year of £1.2 million, compared to the 2019 loss of £2.3 million.

The Nguni Group's total contribution to tangible net asset value per share was 8.5 pence (R1.71) (2019: 9.6 pence (R1.79)).

Tradehold Africa Group (Mozambique, Botswana and Zambia)
The Group continued its strategy of selling all properties owned outside South Africa and Namibia. Of the three in Zambia, one – the Lusaka Hotel – has been sold while the prospective buyers have made a down-payment of 37% on the remaining two. During the course of the year it sold its last remaining property in Botswana so all that remains in the portfolio are three relatively small properties in Mozambique. Terms have been agreed for the sale of one of these.

The value of the portfolio decreased to £23.7 million from £26.5 million at the end of February 2019, mainly due to the disposal of the Lusaka Hotel in Zambia during the period under review. The company contributed £2.2 million to total group profits, compared to a net profit of £2.4 million for the corresponding period.

Tradehold Africa's total contribution to tangible net asset value per share is 7.3 pence (R1.47) (2019: 8.3 pence (R1.54)).

Outlook

With the world in turmoil because of the pandemic there are just too many imponderables to try to predict what the new financial year will bring. However, what we do know, is that it will be an extremely demanding period with far-reaching effects for businesses everywhere and in every sphere of the economy. According to recent media reports, the UK economy could shrink by as much as 8.3% this year with the unemployment rate more than doubling to 10% as more than 2 million people lose their jobs. Then there are the added effects of Brexit and the UK's looming separation from its main markets. In South Africa, which is already in recession, the economy is contracting further due to the protracted lock-down and its effects, and it will take a long time to recover, whatever stimuli are introduced by government. The only certainty is that uncertainty will reign during the year with volatility bringing constant change.

Confronting COVID-19

We believe the basic principles on which we have built Tradehold over the past few years – adapt, simplify and focus – offer us a realistic chance to confront and overcome the challenges brought on by the pandemic, even if it does continue beyond 2020. Our flexible culture also ensures we shall be better equipped at the end of it to benefit from new opportunities that present themselves.

Adapt

Pre-Covid this required adapting to the ever-changing real-estate environment especially in the UK. Doing so has led to an extensive, on-going programme of repurposing our four local shopping centres to reduce their dependence on traditional retail in the light of major changes in consumer buying patterns. These changes are designed to address more closely the needs of those living and working in the immediate vicinity of these centres to create stronger community hubs.

For some time, management has recognised a growing interest in the market for flexible, fully equipped office space offering more flexible and shorter lease terms. This led to the establishment of Boutique back in 2013, with its present 4 500 work stations spread through buildings in Greater London. We believe this business is excellently positioned to benefit from the new work-from-home lifestyle likely to remain after the pandemic, coupled with a need by businesses for a physical presence in the major cities accommodating fewer employees on a more flexible basis.

In South Africa we are fortunate in that the bulk of our property portfolio comprises large-format industrial and distribution centres leased on long-term contracts to prominent local corporates. As in the UK, we have in South Africa experienced and creative management teams well equipped to manage the challenges presented by the pandemic.

Simplify

We are simplifying the group's structure, inter alia by reducing the number of countries in which we do business so we can focus all our attention on our primary markets. We have exited Botswana and have entered into agreements with potential buyers to do the same in Zambia. All that remain to be sold are three properties in Mozambique.

Focus

We are focusing on our core assets and, in doing so, selling non-core assets in South Africa, the UK and Namibia to free up capital. Similarly, if an attractive opportunity were to arise in the medium term, we would not be averse to withdrawing from Namibia.

For a considerable while now our focus has been on reducing debt levels. As part of these efforts we raised equity of R500 million for Collins Group while the proceeds from the sale of non-core assets are also used to reduce debt. Since year-end we have focused aggressively on cost and cash management on all levels in addition to tenant management and retention. Collins Group collected 87% of rent payable for the month of April 2020. This is a significant achievement under the circumstances and testament to the quality of the portfolio and of a hands-on management. Arrears are expected to hover around 5% of income collectable. This is post the granting of rent remissions to tenants in good standing who are providing non-essential services. This will hopefully be a once-off dip in rent collections. In the UK we are confident of collecting 67% of all rent for the March quarter (the 3 months beginning on the 25th of March).

In South Africa, we took advantage of the recent spike in long- term interest rates after year-end to unwind expensive, long-dated fixed-rate debt. This will enable us to immediately benefit from substantially lower interest rates on floating rate debt, positively impacting cash-flow for the local business. All these actions have put Tradehold in a strong position to weather the Covid-19 storm with the Group having access to sufficient liquidity for the foreseeable future.

"With the world in turmoil because of the pandemic there are just too many imponderables to try to predict what the new financial year will bring. However, what we do know, is that it will be an extremely demanding period with far-reaching effects for businesses everywhere and in every sphere of the economy."

Sustainability context

Tradehold's strength is built on achieving economic sustainability in adverse market conditions. In the short term, the board of directors will continue to focus on measures needed to keep the Group profitable despite the many challenges confronting it in the various markets in which it operates. 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

In a lifetime in business I have seldom experienced a year so challenging and so demanding. And I have seldom been as impressed with and proud of our management team and staff, for the visionary and resolute way in which they have confronted these challenges. They have responded in creative and imaginative ways to the rapid changes they have encountered. They have understood and acted on the need to streamline the business and focus on the essentials while strengthening and building up its cash reserves. They have fully recognised that whatever they have endured this past financial year, no matter how difficult it may have felt, could well prove to be child's play compared to what lies ahead. In thanking them for what they have achieved thus far I also want to assure them of the board's full support in their efforts to overcome whatever lies ahead. I'm at peace in my own mind knowing we have done everything in our power to ensure Tradehold will still be around in the years to come when the pandemic is behind us.

CH Wiese
Chairman

19 May 2020

CORPORATE GOVERNANCE

Tradehold Limited is an investment holding company. At year-end, its principal business consisted of:

- A 100% interest in the property-owning and 90% in the serviced office business of the Moorgarth group of companies
- A 74.3% stake in the property-owning Collins Property Group of companies based in South Africa
- A 100% stake in property-owning and property development Nguni Property Fund group of companies, based in Namibia.
- A 100% stake in property-owning and property development Tradehold Africa group of companies, based in Mauritius

It conducts treasury activity through its wholly-owned finance company, Tradegro S.ár.l. Transactions within the Moorgarth group deal mainly with the acquisition, development, refurbishment, letting, and sale of property assets, and a serviced office business. Transactions within the Collins group deal mainly with the letting, acquisition, development, and sale of property assets. At year-end the Collins Group owned and managed commercial properties valued at £438 million, and the Moorgarth Group owned and managed commercial properties valued at £243 million (if its joint venture interests are included).

Tradehold Limited is committed to upholding good ethical standards and the application of corporate governance principles. During the year, Tradehold reviewed the principles contained in the King IV Report on Governance ("King IV") and assessed their relevance and applicability to the group. In compliance with the regulations of the JSE, a complete list of the King IV 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. The board is responsible for the long-term success of the group, develops strategy, determines the nature and extent of significant risks, and approves major transactions.

It has established the following board committees, which report on their activities to the board: audit committee, remuneration committee and social & ethics committee.

It has established the following management committee, which reports on its activities to the board: investment committee.

The board comprises the following nine members:
Non-executive Chairman – leads the board and ensures it operates effectively, and maintains a culture of openness and debate and effective communication with all stakeholders.
Three independent Non-executive Directors – provide an independent, external perspective, work with and challenge the Executive directors, contribute with a broad range of experience and expertise. Mr. Herman Troskie has been appointed as the lead independent director.
One Non-executive Director – works with and challenges the Executive directors, contributes with a broad range of property experience and expertise.
Four Executive Directors – responsible for the day-to-day management of the group and implementation of strategy. Two of the Executive directors jointly act as Chief Executive officer with overall responsibility, and specific areas are delegated to the remaining Executives (Finance and Operations).

The composition of the board is reviewed on a regular and ongoing basis.

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 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. The Directors ensure that they allocate sufficient time to discharge their duties effectively. 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 2020, and the attendance of board and committee meetings is for the financial year.

Composition of the board at 29 February 2020 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	78	Non-executive	1	Chairman of Shoprite Holdings Limited and Invicta Holdings Limited, director of Brait SE and various other companies
Mr HRW Troskie	B Juris, LLB, LLM	27 April 2006	50	Independent non-executive#	2	Brait SE, Ardagh Group S.A. and various other companies
Mr MJ Roberts	BA, SEDP	28 February 2012	73	Independent non-executive	2	
Mr KR Collins		17 February 2017	48	Non-executive	1	
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	2 May 2018	68	Non-executive	2	Brait SE
Ms KL Nordier	BAcc, BCompt Hons, CA(SA)	27 May 2014	53	Executive	2	
Mr TA Vaughan	BSc (Hons) MRICS	10 November 2010	54	Executive	2	Managing director of Moorgarth Group
Mr FH Esterhuyse	BAcc Hons, MCom(Tax), CA(SA)	27 May 2014	50	Executive	2	Mettle Investments Ltd
Mr DA Harrop	BA Hons, ACA	27 May 2014	50	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 for the structure of the group and the board is not aware of any instances of non-compliance to applicable laws and regulations; and
- the IT infrastructure and strategy is appropriate for the structure of the group.

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 correct 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.

The board confirms that the company is in compliance with the provisions of the Companies Act of South Africa and has operated in conformity with its Memorandum of Incorporation for the year ended 29 February 2020.

The board considers the material risks specific to the group to be the significant matters set out in the Audit committee report, as well as the potential impact of the COVID-19 pandemic, disclosed in note 37 to the annual financial statements.

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. monitored the integrity of the financial statements and formal announcements relating to financial performance and considered significant financial reporting issues, judgements and estimates. This included reviews of the interim and preliminary results and the year-end annual financial statements, as well as the content of the integrated report and also an assessment of the quality, consistency and integrity of the group's financial reporting, including assessing whether the annual Integrated Report is fair, balanced and understandable, culminating in a recommendation to the board of directors to adopt it;

1.2. held regular meetings with executive management to understand key issues;

1.3. considered and reviewed the investment property valuation process and frequency and the business combination financial reporting;

1.4. reviewed the external auditor audit plan and reports on the consolidated annual financial statements;

1.5. held meetings with external audit partner and manager without management present;

1.6. reviewed the system of internal controls and risk management, which include reviews of the risk management and internal control reports presented to it and discussions with executive management, to ensure that the group is identifying, considering and mitigating, as far as possible, all significant risks for the group;

1.7. reviewed the King IV Report on Corporate Governance and considered its recommendations and applicability to the group;

CORPORATE GOVERNANCE (CONTINUED)

1.8. reviewed the tax structure and tax risk of the group;
1.9. considered the findings contained in the JSE's 2019 proactive monitoring report, and the JSE listing requirements amendments for 2020, and their applicability to the group's reporting;
1.10. requested an auditor suitability pack from PricewaterhouseCoopers Inc , confirmed that the pack was presented in the format and contained all the items prescribed in paragraph 22.15 (h) of the JSE Listing Requirements, verified the suitability of PricewaterhouseCoopers Inc. for the role of external auditor, verified the independence of PricewaterhouseCoopers Inc., and nominated PricewaterhouseCoopers Inc. as the auditors for 2020 and noted the appointment of Mr Jacques de Villiers as the designated auditor;
1.11. approved the audit fees and engagement terms of the external auditors;
1.12. 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.
1.13. identified the following areas as significant matters in relation to the financial statements, and addressed these as described:

Investment property valuations
Reviewed a schedule of the entire investment property portfolio, compared year end book value to the acquisition price, noted the last date of the professional valuation and ensured that most recent valuation date was no earlier than three years before 29 February 2020, noted the identity of the valuer to ensure that it was a property professional, reviewed the list of properties sold and the sale price compared to the book value, reviewed the list of properties revalued, and discussed reasons for revaluations with management and the external auditors.

Reviewed the process of investment property valuations implemented by Collins and Moorgarth management.

Other asset valuations
Reviewed the process of other asset valuations implemented by Collins, Moorgarth and Tradehold management and discussed with the external auditors the finding from their independent valuation of the material derivatives.

Debt
Reviewed the process of debt covenant management implemented by Collins, Moorgarth and Tradehold management, and discussed with the external auditors the findings from their re-performance of a sample of the debt covenant requirements.

Reviewed the interest rate hedging strategies implemented by Collins and Moorgarth management.

Impairment testing
Reviewed the process of impairment testing on financial assets implemented Collins, Moorgarth and Tradehold management, and evaluated goodwill and other impairment computations based on external reports and reporting from the external auditors.

Risks pertaining to the diverse geographical locations
Reviewed the process of geographical and foreign currency management implemented by Collins and Tradehold management and evaluated the risks against the disclosure in the annual financial statements.

Taxation
Reviewed the process of taxation management implemented Collins, Moorgarth and Tradehold management. Derived comfort from the preparation of tax calculations and returns by reputable independent tax consultants in the United Kingdom, Switzerland, Luxembourg and Malta jurisdictions.

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 IV. The audit committee consists of three members.

The audit committee meets at least twice a year as per the audit committee charter, details of meetings held during the year 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	50	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	28 February 2012	73	Independent non-Executive	2
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	2 May 2018	68	Independent non-Executive	2

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 continually monitors the effectiveness of the group's internal financial controls, and is satisfied that the internal financial controls in place adequately address the major risk areas faced by the group.

The audit committee confirms that no material breakdown of internal financial controls was identified for the financial year ended 29 February 2020.

The audit committee is satisfied that the controls over the accuracy and consistency of the information presented in the Integrated Report are robust and that the Integrated Report presents a fair, balanced and understandable overview of the business of the group, and provides stakeholders with the necessary information to assess the group's financial position, business model and strategy. It recommends the adoption of the Integrated Report to the Board.

Remuneration committee report

The remuneration committee is a sub-committee of the board and consists of three members.

1. Functions of the remuneration committee

Its main functions are:

- setting the remuneration policy for executive directors;
- to determine the total individual remuneration package of the executive directors;
- to monitor performance against conditions attached to variable annual remuneration and long-term incentive awards to executive directors;
- approving the selection, appointment and terms of reference of any independent remuneration consultants; and
- recommendations to the board regarding the fees to be paid to non-executive directors and the chairman.

2. Members of the remuneration committee and attendance at meetings

Details of meetings held during the year are listed below.

Remuneration committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	25 October 2012	50	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	27 May 2014	73	Independent non-executive	2
Mr KR Collins		23 May 2017	48	Non-executive	2

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

3. Remuneration policy

The remuneration policy is to compensate employees on a fair basis comparable with similar organisations, taking into consideration performance as an important factor in determining the remuneration of executive directors.

Remuneration is monitored and reviewed on an ongoing basis by the remuneration committee to ensure that the guaranteed and variable pay is market related and aligned with the group's strategic objectives to create sustained value for all stakeholders.

When considering remuneration and increases, the remuneration committee measures executive remuneration and increases against those for employees across the group by jurisdiction.

The group has implemented an employee share option scheme, with the purpose of attracting, retaining, motivating and rewarding employees on a basis which aligns company performance and the interests of mid-tier and senior employees with those of shareholders.

The performance measures that determine the levels of variable pay for executive directors are fully aligned with the group's business strategy and the long term interests of shareholders and other stakeholders. These measures are linked to consistent growth in shareholder value. This means that in any year that the group delivers weaker growth, variable pay is lower, and if it delivers stronger performance, variable pay is higher.

Non-executive directors' fees are based on their relative contributions to the activities of the board, and recognise the responsibilities of the director throughout the year.

Non-executive directors do not participate in the company's variable pay plans to avoid any potential conflict of interest and to maintain their independence.

CORPORATE GOVERNANCE (CONTINUED)

4. Implementation report

The remuneration committee has monitored the implementation of the remuneration policy and is of the view that there were no deviations from the remuneration policy in the 2020 financial year.

In determining the total guaranteed package increases for executive directors, the remuneration committee referred to market conditions as well as comparative industry benchmarking in the specific jurisdiction.

The table below presents an analysis of the remuneration of executive directors received in 2020 compared to 2019, in £'000:

Year ending 29 February 2020	Jurisdiction	Salary	Other benefits	Variable remuneration	Share scheme	Total
FH Esterhuyse	South Africa	127	27	93	45	292
DA Harrop	United Kingdom	88	12	13	—	113
KL Nordier	Switzerland	208	9	62	41	320
TA Vaughan	United Kingdom	292	21	68	46	427
		715	69	236	132	1 152

Year ending 28 February 2019	Jurisdiction	Salary	Other benefits	Variable remuneration	Share scheme	Total
FH Esterhuyse	South Africa	127	24	84	17	252
DA Harrop	United Kingdom	102	12	60	—	174
KL Nordier	Switzerland	200	8	77	10	295
TA Vaughan	United Kingdom	274	9	65	11	359
		703	53	286	38	1 080

The table below presents an analysis of the remuneration of non-executives received in the 2020 financial year, compared to 2019, in £'000:

	Currency '000	Year ending 29 February 2020	Year ending 28 February 2019
CH Wiese	Euro	50	50
HRW Troskie	Euro	30	30
MJ Roberts	Euro	10	10
KR Collins	Euro (2020) / ZAR(2019)	25	1 250
LL Porter	Euro	20	16.7

Details of the remuneration and participation of directors in share incentive schemes appear on pages 93 and 110 of this report (notes 26 and 36).

5. Shareholder engagement and voting

The company will table its remuneration policy and implementation report for two separate non-binding advisory votes by shareholders at the AGM, in line with King IV.

In the event that 25% or more of the shareholders vote against these resolutions, the remuneration committee will engage with such dissenting shareholders to ascertain the reasons for the dissenting votes, address all valid and reasonable concerns raised, and disclose the full shareholder engagement process, response and resolutions in the remuneration report of the next financial year.

Social and ethics committee

1. Functions of the 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 social and ethics committee has established a social and ethics governance framework for the group, and monitors compliance by the group's subsidiaries.

2. Members of the social and ethics committee and attendance at meetings

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	Resigned 7 November 2019	50	Independent non-executive	1
Mr. MJ Roberts	BA, SEDP	28 May 2012	73	Independent non-executive	2
Ms KL Nordier	BAcc, BCompt Hons, CA(SA)	22 May 2017	53	Executive	2
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	7 November 2019	68	Independent non-executive	1

3. Statement on social and ethics governance

The social and ethics committee wishes to report that it has reviewed the reports presented to it by executive management on social and ethics governance, which include a review of the policies and codes of conduct for social responsibility, health and safety, anti-bribery and corruption, anti-fraud, anti-money laundering, whistleblowing, procurement, gifts, conflicts of interest and compliance with relevant local legislation. It has held discussions with management on the implementation of these policies and the procedures for monitoring compliance with the codes of conduct.

The social and ethics committee has fulfilled its mandate as prescribed by the Companies Regulations to the Companies Act of South Africa, and it is satisfied that the group has adequate policies and procedures in place to prevent and detect unethical behaviour and non-compliance with applicable legislation. No instances of material non-compliance or unethical behaviour were identified during the year under review.

Risk management and internal control

The board is satisfied that the executive directors' intimate involvement in the operations of the group, as well as the robust management structure of its South African and United Kingdom operations is 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 the internal control measures in place.

The South Africa and United Kingdom business components are each headed by an experienced qualified chief executive, assisted by an experienced and qualified finance director. These executives are responsible for the implementation of internal control, risk management and financial reporting policies and procedures and the monitoring thereof in accordance with the group corporate governance framework set by the board.

Detailed reports on risk management and internal controls are submitted to the audit committee, and key considerations are elevated to the board as and when appropriate.

The board applies the following principal elements of internal control:

- an annual budgeting process, integrating both financial budgets and cash flow forecasts, together with the identification of risks inherent in each area of operation, which are subject to board approval;
- monthly preparation of individual component and consolidated management accounts, comparison of actual results with budgets and forecasts, and preparation of revised forecasts whenever deemed necessary, for review and consideration by the board;
- reporting to the board any changes in business, operational and financial risk in each area of the business;
- clearly defined authorisation procedures for capital expenditure and major corporate transactions established by the board, and
- limited authority levels designated to subsidiary board directors and senior management.

The nature of the business, and the nature and limited number of transactions do not warrant the establishment of an internal audit function.

Integrity and ethics

Tradehold Limited at all times endeavours to maintain the highest standard of integrity in dealing with its clients, staff, local 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 component is responsible for ethical behaviour within his organisation, and provides reports to the audit committee and social and ethics committee on the policies and procedures in place to monitor integrity and ethics. 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 2020.

Gender and race diversity

Tradehold Limited supports the principles and aims of gender and race diversity at board level, and has adopted a gender and race diversity policy. Should a vacancy on the board arise, or should there be a requirement for an additional board appointment, consideration will be given to the appointment of female or racially diverse director(s) so as to attain and maintain the voluntary target level of gender and race diversity.

NOTICE TO SHAREHOLDERS

Tradehold Limited and its subsidiaries

TRADEHOLD LIMITED
(Incorporated in the Republic of South Africa)
(Registration number 1970/009054/06)
JSE Ordinary Share code: TDH ISIN: ZAE000152658
JSE B Preference Share code: TDHBP ISIN: ZAE000253050
("Tradehold" or "the company")

Notice is hereby given in terms of section 62(1) of the Companies Act, 71 of 2008, as amended (the "Act") that the annual general meeting ("AGM") of the shareholders (each a "Shareholder") of Tradehold will be held at 11am on Thursday, 13 August 2020. The purpose of the AGM is to consider and, if approved, pass the ordinary and special resolutions set out in this notice (this "Notice"), with or without modification.

Attendance and voting

Taking cognisance of the continuing COVID-19 measures put in place by the South African Government, Shareholders are advised that the AGM will be held in electronic format only in accordance with the provisions of section 63(2) of Act.

Participants connecting to the AGM will be able to participate in the meeting but will not be able to cast their votes electronically at the AGM. Accordingly, and in order for their votes to be recorded, certificated Shareholders and dematerialised Shareholders with "own name" registration making use of the electronic participation facility must submit their duly completed forms of proxy to the Company's Transfer Secretaries by email to: proxy@computershare.co.za as soon as possible but before commencement of the AGM. Dematerialised Shareholders, other than those with "own name" registration, making use of the electronic participation facility must provide instructions to their duly appointed central securities depository participant ("CSDP") or broker, as soon as possible but before commencement of the AGM. Those dematerialised Shareholders, other than those with "own name" registration, who wish to be classified as attending in person, must obtain letters of representation from their CSDP or broker, and voting forms from the company's Transfer Secretaries (also at: proxy@computershare.co.za), and must submit these to the Transfer Secretaries. These Shareholders must also connect to the AGM electronically.

Shareholders or their proxies who wish to participate in the AGM via the teleconference facility should make application to Tradehold's company secretary, by completing the application form attached to this notice and by delivering it to Tradehold's company secretary at Suite 1408, Portside Building, 4 Bree Street, Cape Town, 8001 or emailing it to tdhcosec@leacorporateservices.co.za as soon as possible but in any event by no later than 11:00 on Tuesday, 11 August 2020.

The application should include all relevant contact details including an email address, cellular number and land line as well as full details of the Shareholder's title to the ordinary shares ("Ordinary Shares") in Tradehold, proof of identity in the form of certified copies of identity documents and share certificates (in the case of certificated Shareholders) and written confirmation from the Shareholder's CSDP confirming the Shareholder's title to the dematerialised shares (in the case of dematerialised Shareholders).

An application form to be completed for this purpose is enclosed herewith.

Upon receipt of the required information, the Shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM. Shareholders who wish to participate in the AGM by way of telephone conference call must note that they will not be able to vote at the AGM. Such Shareholders, should they wish to have their vote counted at the AGM, must, to the extent applicable: (i) complete the attached form (blue); or (ii) contact their CSDP or broker, in both instances, as set out above.

Shareholders must further note that access to the teleconference facility will be at the expense of the Shareholders who wish to utilise the teleconference facility.

In terms of section 59(1)(a) and (b) of 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, 15 May 2020; 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, 7 August 2020.

Accordingly, the last day to trade in the company's shares to be recorded in the share register in order to exercise voting rights at the AGM is Tuesday, 4 August 2020.

Please note that in terms of section 63(1) of the Act all participants (including proxies) at the AGM will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM.

ORDINARY RESOLUTIONS

Ordinary Resolution Number 1

That the audited annual financial statements for the year ended 29 February 2020, including the Directors' Report, Independent Auditor's Report, Report by the Chairman, Audit Committee Report and Social & Ethics Committee Chairman's Report, (the "Annual Report") which have been distributed and accordingly presented to Shareholders, be accepted and adopted.

Additional information:

The complete electronic copy of the Annual Report is available online at: www.tradehold.co.za.

Voting requirement:

Ordinary Resolution Number 1 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders represented by proxy, to be approved.

Ordinary Resolution Number 2

That PricewaterhouseCoopers Inc, as nominated by the company's audit and risk 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 J de Villiers is the individual and designated auditor who will undertake the company's audit for the financial year ending 28 February 2021.

Voting requirement:

Ordinary Resolution Number 2 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders represented by proxy, to be approved.

Ordinary Resolution Number 3

That Mr KR Collins 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. Mr Collins is 48 years of age and is a director of Redbill Holdings (Pty) Limited.

Voting requirement:

Ordinary Resolution Number 3 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders represented by proxy, to be approved.

Ordinary Resolution Number 4

That Dr LL Porter, who retires as director in terms of the MOI of the company and, being eligible, offers himself for re-election to the Board, be re-appointed. Dr Porter is 69 years of age and he holds the degrees BA, BSc, DPhil, FBCS, CITP. Dr Porter is a non-executive director of Brait SE.

Voting requirement:

Ordinary Resolution Number 4 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders represented by proxy, to be approved.

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, or options or securities convertible into Ordinary Shares, for cash, from time to, subject to the following conditions:

- that this authority is valid until the company's next annual general meeting, provided it shall not extend beyond 15 months from the date that this authority is given;
- that the Ordinary Shares 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 securities which are the subject of the issue for cash may not exceed 30% of the Company's listed equity securities as at the date of this notice of AGM (this number of shares being 45 697 577, excluding treasury shares);
- any ordinary shares issued under this authority during the period of its validity must be deducted from the above number of ordinary shares and the authority shall be adjusted accordingly to represent the same allocation ratio on the event of a subdivision or consolidation of ordinary shares during the same period;
- 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 company and the party subscribing for the securities;
- that any such issue will only be made to public shareholders, as defined by the Listings Requirements and not to related parties; and
- upon any issue of Ordinary Shares which, together with prior issues of Ordinary Shares during the same financial year, will constitute 5% or more of the total number of Ordinary Shares in issue prior to that issue, the company shall publish an announcement in terms of section 11.22 of the Listings Requirements, giving full details hereof, including (i) the number of Ordinary Shares issued, (ii) the average discount to weighted average traded price of the Ordinary Shares over the 30 business days prior to the date that the issue is agreed in writing between the company and the party/ies subscribing for the Ordinary Shares; and, (iii) in respect of the issue of options and convertible securities issued for cash, the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or (iv) in respect of an issue of Ordinary Shares for cash, an explanation including supporting information (if any), of the intended use of funds.

Reason and effect:

The reason and effect of this resolution is to empower the Board to issue shares, options or securities convertible into shares representing less than 30% of the company's unissued Ordinary Shares for cash within the limits imposed by the above terms.

Voting requirement:

In terms of the Listing Requirements, Ordinary Resolution Number 5 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Ordinary Resolution Number 6

Resolved that the following authorised but unissued Unspecified Preference Shares (as defined below) be and are hereby placed under the control of the Board, who shall be authorised to issue such unissued Unspecified Preference Shares on such terms and conditions as they may in their discretion deem fit, but subject to the Act, the MOI, the Listings Requirements:

- 10,000,000 redeemable class C preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified C Preference Shares");
- 10,000,000 redeemable class D preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified D Preference Shares");
- 10,000,000 redeemable class E preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified E Preference Shares"), (the Unspecified C Preference Shares, Unspecified D Preference Shares and the Unspecified E Preference Shares, collectively, the "Unspecified Preference Shares") subject to the following limitations:
- the authority will be valid from the date of the AGM until the next annual general meeting of the company;
- the maximum amount to be raised by the issue of Unspecified Preference Shares is R3,000,000,000;
- the Unspecified Preference Shares may only be issued if the Board is of the opinion, having taken into account prevailing conditions in the South African market for redeemable preference shares, that the commercial and technical terms and features of the relevant Unspecified Preference Shares are in all material respects arms' length and in line with current market norms (which for clarity will include, without limitation, that the Unspecified Preference Shares will bear a market-related coupon, that they will have a fixed date of maturity, that they will rank in priority to the Ordinary Shares and the non-convertible, non-participating, non-transferable, redeemable preference shares in the share capital of the company having the preferences, rights, limitations and other terms contemplated in clause 9 of this MOI in respect of distributions and on a winding up, and that they will have voting rights only in limited circumstances);
- if any Unspecified Preference Shares are issued to a related party (as defined in paragraph 10.1 of the Listings Requirements), the issue to such related party shall be subject to a fairness opinion from an independent expert acceptable to the JSE stating that the issue is fair insofar as the Shareholders are concerned; and
- the Unspecified Preference Shares will be non-participating redeemable preference shares, i.e. the rate of dividends and returns payable in respect of the Unspecified Preference Shares will not be a function of the profitability of the company,

there being no further limitations on the Board's authority (including on the price at which the Unspecified Preference Shares may be issued).

Reason and effect:

The reason and effect of this resolution is to place the unissued Unspecified Preference Shares under the control of the Board subject to certain restrictions.

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

Voting requirement:

Ordinary Resolution Number 6 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Ordinary Resolution Number 7

That the following independent directors of the company be elected as members of the audit and risk committee of the company, as a single resolution, until the conclusion of the next AGM of the company:

H R W Troskie

M J Roberts

L L Porter (subject to re-appointment pursuant to Ordinary Resolution Number 4)

Reason and effect:

The reason and effect of this resolution is to appoint the company's audit and risk committee, which will be valid until the next AGM.

Additional information

Mr Troskie is 50 years of age and he holds a B Juris ; LL B ; LL M. Mr Troskie is a non-executive director of Brait SE, Ardagh Group S.A. Puma Brandenburg Ltd and Pestana International Holdings S.A.

Mr Roberts is 73 and he holds a BA, SEDP.

Dr Porter is 69 years of age and he holds a BA ; BSc, DPhil, FBCS, CITP.
Dr Porter is a non-executive director of Brait SE.

Voting requirement:

Ordinary Resolution Number 7 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Ordinary Resolution Number 8

Resolved that in accordance with the King report on Corporate Governance for South Africa 2016 ("King Code IV") and the Listing Requirements as a non-binding advisory vote, the Shareholders endorse the remuneration policy of the company, as set out on page 11 of the Annual Report.

Reason for and effect of non-binding advisory vote

In terms of principle 14 of the King Code IV, 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.

Voting requirement:

The approval of the company's remuneration policy is not a matter that is required to be resolved or approved by Shareholders and therefore no minimum voting threshold is required for the non-binding advisory vote.

Nevertheless, for record purposes, the non-binding advisory vote will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders represented by proxy, to be approved. The company's remuneration policy contains the measures that the company will take if 25% or more of votes are cast against the policy at the AGM. The Board will also take the outcome of the votes into consideration when considering the company's remuneration policy.

Ordinary Resolution Number 9

Resolved that in accordance with King Code IV and the Listing Requirements as a non-binding advisory vote, the Shareholders endorse the implementation of the remuneration policy of the company as set out on page 11 of the Annual Report.

Reason and effect of non-binding advisory vote

The Listing Requirements requires Tradehold to present its remuneration implementation report to Shareholders at the AGM. Accordingly, Shareholders are requested to endorse the company's implementation report of its remuneration policy by way of a non-binding advisory vote in the same manner as an ordinary resolution.

Voting requirement

The approval of the company's remuneration implementation report is not a matter that is required to be resolved or approved by Shareholders and therefore no minimum voting threshold is required for the non-binding advisory vote.

Nevertheless, for record purposes, the non-binding advisory report will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders, or represented by proxy, to be approved. The company's remuneration policy contains the measures that the company will take if 25% or more of votes are cast against the policy at the AGM. The Board will also take the outcome of the votes into consideration when considering the company's remuneration policy.

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 from 1 March 2020 to 28 February 2021 be confirmed to be as follows:

Non-executive directors' fees

Board	EUR (excl. VAT)
Chairperson	50 000
Lead Independent Director*	30 000
Members (in total)	55 000

* also Chairperson of the Audit & Risk Committee and the Remuneration Committee

Reason and effect

In terms of section 66(8) and (9) of the Act, non-executive directors' fees for their services to the company, must be approved by way of a special resolution passed by Shareholders within the previous two years. Accordingly, the reason for and effect of Special Resolution Number 1 is to approve the payment of and the basis for calculating the proposed remuneration payable by the company to its non-executive directors for the period ending 28 February 2021.

Voting requirement

Special Resolution Number 1 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Special Resolution Number 2

Resolved as a special resolution that the company be and is hereby authorised, in terms of section 45(3)(ii) of the Act and the MOI of the company, 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.

Additional information:
If the Board provides the aforesaid financial assistance the company will, in compliance with section 45(5) of the Act, provide written notice to all Shareholders and to any trade union representing its employees, within 10 business days after the Board adopts the resolution, if the total value of all loans, debts, obligations or assistance contemplated in this resolution, together with any previous such resolution during the financial year, exceeds one-tenth of 1% of the company's net worth at the time of the resolution; or within 30 business days after the end of the financial year, in any other case.

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 void the need to refer each instance to Shareholders for approval. This general authority would be valid up to and including the 2021 AGM.

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 and the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

Reason and effect:
The reason and effect of the Special Resolution Number 2 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.

Voting requirement:
Special Resolution Number 2 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Special Resolution Number 3
Resolved as a special resolution that the company be and is hereby authorised, in terms of section 44(3)(ii) of the Act and the MOI of the company, 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.

Reason and effect:
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 2021 annual general meeting.

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 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; and that terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

The effect of Special Resolution Number 3 and the reason therefor 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.

Voting requirement:
Special Resolution Number 3 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Special Resolution Number 4
Resolved as a special resolution that the mandate given to the company (or one of its subsidiaries) providing authorisation, by way of a general authority contemplated in sections 46 and 48 of the Act, read with sections 114 and 115 and the Listings Requirements, to acquire the company's own securities, upon such terms and conditions and in such amounts as the Board may from time to time decide, but subject to the provisions of the Act and the Listings Requirements, be extended, subject to the following terms and conditions:

- 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;
- authorisation be given by the MOI;
- this general authority will be valid until the company's next annual general meeting, provided that it shall not extend beyond fifteen months from date of passing of this Special Resolution Number 4;
- 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 is effected;
- at any point in time, the company may only appoint one agent to effect any repurchase;
- a paid press announcement will be published as soon as the company has cumulatively repurchased 3% of the initial number (i.e. 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 in compliance with sections 5.79 and 11.27 of the Listings Requirements;
- 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; and

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

- repurchases may not be undertaken by the company (or one of its subsidiaries) during a prohibited period; unless the company or the subsidiary has a share repurchase programme in place, 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.

In accordance with the Listings Requirements the Board records that although there is no immediate intention to effect a repurchase of the securities of the company, the directors of the company will utilise this general authority to repurchase shares as and when suitable opportunities present themselves, which opportunities may require expeditious and immediate action.

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

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;
- the share capital and reserves are adequate for the ordinary business purposes of the company and the group; and
- a resolution by the Board that it has authorised the repurchase, that the company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the company.

Reason and effect:
The effect of Special Resolution Number 4 and the reason therefore is to extend the general authority given to the Board in terms of the Act and the Listings Requirements for the acquisition by the company (or one of its subsidiaries) of its own securities, which authority shall be used at the Board's discretion during the course of the period so authorised.

Voting requirement:
Special Resolution Number 4 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Additional Information:
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 Special Resolution Number 4, some of which are set out elsewhere in the annual report:
- Major Shareholders – refer page 132;
- Share capital – refer page 74.

Voting requirement:
Special Resolution Number 4 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Special Resolution Number 5
Resolved as a special resolution that Schedule 2 (B Preference Share Terms) of the MOI be and is hereby amended, as contemplated in section 16(1)(c) of the Act, as set out in Annexure A to this Notice (the "Amendment"). The full marked-up version of the amended Schedule 2 (B Preference Share Terms) of the MOI is available on the Company's website at: www.tradehold.co.za.

The salient features of the amendments are as follows (unless the context indicates otherwise, words and phrases defined in the current B Preference Share Terms bear the same meanings in this summary):
- The bridge facility made available to the Issuer during 2015 was repaid in full and was removed from the calculation of the financial covenants and the rest of the "Terms and Conditions";
- In light of the fact that the Market Place Property is now wholly owned by the Issuer, the Market Place Property was incorporated as a part of the rest of the Portfolio Properties and various consequential changes were made as a result of such consolidation. This affected aspects such as calculation of the Interest Cover Ratio, the Issuer LTV and the Vacancy Ratio;
- The Portfolio Properties LTV was increased from 64% to 65%;
- The Vacancy Ratio was lowered from 85% to 80%;
- Certain properties forming part of the Portfolio Properties were disposed of and/or released for purposes of the Terms and Conditions. These are: 63/71 Dalrymple Street, Girvan and 42 High Street, Johnstone; and
- Inception Holdings S.ár.l is now excluded as a Material Company as it is no longer in existence.

Reason and effect:
The effect of Special Resolution Number 5 and the reason therefore is to amend Schedule 2 of the MOI, which sets out the rights, privileges and conditions attaching the class B cumulative, redeemable preference shares in the share capital of the company.

Voting requirement:
Special Resolution Number 5 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by Shareholders represented by proxy, to be approved.

Ordinary Resolution Number 10
Resolved that any director of the company or the company secretary of the company be and is hereby authorised to do all such things, sign all such documents and take all such actions as may be necessary for or incidental to the implementation of the ordinary and special resolutions to be proposed at the AGM.

Reason and effect:
The reason for Ordinary Resolution Number 10 is to authorise any director or the company secretary of the company to attend to the necessary requirements to implement the special and ordinary resolutions passed at the AGM and to sign all documentation required to record that the company will be authorised to attend to any matter regarding the implementation of the special and ordinary resolutions on behalf of the company.

Voting requirement:
Ordinary Resolution Number 10 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Social and Ethics Committee

The chairperson of the Social and Ethics Committee will give verbal feedback on the activities of this committee for the past period as required in terms of regulation 43(5)(c) of the Companies Regulations, 2011.

Directors' Responsibility Statement

The directors, whose names are given on page 28 of the annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above ordinary and 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 ordinary and special resolutions contain all information required by law and the JSE Listings Requirements.

Material change

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

Voting Requirements

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 10. For ordinary resolution number 5 a 75% voting majority is required by the Listings Requirements. The special resolutions require a 75% voting majority in terms of the MOI and the Listings Requirements.

Proxies

All registered Shareholders will be entitled to attend and vote only by proxy at the AGM. A form of proxy is attached for completion by certificated Shareholders and dematerialised Shareholders with "own name" registration. Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (Private Bag X9000, Saxonwold, 2132) so as to arrive by no later than 48 hours before the commencement of the AGM. Clause 23.7 of the MOI grants the Board or the chairman of the AGM the right to allow the form of proxy to be effective for purposes of voting at the AGM if the form of proxy is validly executed and received after this time but before the commencement of the AGM. Certificated Shareholders and dematerialised Shareholders with "own name" registration who complete and lodge forms of proxy, will nevertheless be entitled to attend but not vote 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 (letter of representation) 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 via teleconference. This must be done in terms of the custody agreement entered into between the Shareholder and the CSDP or broker concerned.

By order of the board

Pieter Johan Janse van Rensburg
Secretary

22 May 2020

Parow Industria
7493

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

ANNEXURE A: PROPOSED AMENDMENTS TO "SCHEDULE 2 – B PREFERENCE SHARE TERMS" OF THE MOI AS CONTEMPLATED IN SPECIAL RESOLUTION NUMBER 5 OF THIS NOTICE.

Schedule 2 of the MOI is hereby amended as follows:

1. Clause 1

1.1. Deletion of the definition of "Bridge Loan" in its entirety.

1.2. Amendment of the definition of "Intercompany Loans" by:

1.2.1. the deletion of the phrase "the Market Place Facility" and renumbering of the ensuing sub-clauses;

1.2.2. amending the following renumbered sub-clauses as follows:

Current subclause and wording	Proposed new subclause and proposed new wording
"(a) the Portfolio Properties Facility;"	"(a) the Portfolio Properties Facilities;"
"(b) any other loan made by Tradegro to another Material Company (other than the Issuer) with the proceeds from the loans under the Market Place Facility or the Portfolio Property Facility;"	"(b) any other loan made by Tradegro to another Material Company (other than the Issuer) with the proceeds from the loans Portfolio Properties Facility;"

1.3. Amendment of the definition of "Interest Cover Ratio" as follows:

1.3.1. the deletion of sub-clause (d)(ii) in its entirety and renumbering of the ensuing sub-clauses; and

1.3.2. amendment of the following renumbered sub-clauses:

Current subclause and wording	Proposed new subclause and new wording
"(d)(ii) in respect of the Portfolio Properties, the aggregate amount of interest paid to the Issuer under the Portfolio Properties Facility during any calculation period in respect of which passing rental has been calculated;"	"(d)(ii) in respect of the Portfolio Properties, the aggregate amount of interest paid to the Issuer under the Portfolio Properties Facilities during any calculation period in respect of which passing rental has been calculated;"
"(e) "passing rental" means, as at any date, the passing net rental income that was received on a regular quarterly basis by the owners of the Properties, the Market Place Properties or the Portfolio Properties, as the case may be, under the Lease Documents during the calculation period ending on that date;"	"(e) "passing rental" means, as at any date, the passing net rental income that was received on a regular quarterly basis by the owners of the Properties or the Portfolio Properties, as the case may be, under the Lease Documents during the calculation period ending on that date;"

1.4. Amendment of the definition of "Issuer Interest Cover Ratio" as follows:

Current subclause and wording	Proposed new subclause and proposed new wording
"at any date, the Interest Cover Ratio in respect of all the Properties of the Group;"	"at any date, the Interest Cover Ratio in respect of all the Properties;"

1.5. Amendment of the definition of "Issuer LTV" as follows:

Current subclause and wording	Proposed new subclause and proposed new wording
"(a) the aggregate Total Debt of each member of the Group;"	"(a) the Total Debt;"
"(b) the sum of the market value of all the Properties held by the Group (determined in accordance with the most recent Valuation of the Properties at that time);"	"(b) the sum of the market value of all the Properties (including the Issuer's Investment in DV4 Limited) held by the Group (determined in accordance with the most recent Valuation of the Properties at that time);"

1.6. Deletion of the definition of "Market Place Facility" in its entirety.

1.7. Deletion of the definition of "Market Place Guarantee" in its entirety.

1.8. Deletion of the definition of "Market Place Interest Cover Ratio" in its entirety.

1.9. Deletion of the definition of "Market Place LTV" in its entirety.

1.10. Deletion of the definition of "Market Place Property" in its entirety.

1.11. Amendment of the definition of "Material Company" as follows: Deletion of sub-clause (g) in its entirety and renumbering of the ensuing sub-clause.

1.12. Amendment of the definition of "Portfolio Guarantee" as follows:

Current subclause and wording	Proposed new subclause and proposed new wording
"the guarantee agreement entered into between the Portfolio Companies in favour of the Issuer on or about the Programme Date in relation to the Portfolio Properties Facility;"	"each guarantee agreement entered into between the Portfolio Companies in favour of the Issuer on or about the Programmes Date in relation to each Portfolio Properties Facility;"

Amendment of the definition of "Portfolio Properties" as follows:

1.13.1. the removal of the word "and" at the end of subclause (c);
1.13.2. the deletion of subclause (h) in its entirety and renumbering of the ensuing sub-clauses; and
1.13.3. the amendment to the following renumbered sub-clause:

Current subclause and wording	Proposed new subclause and proposed new wording
"(h) Girvan owned by Moorgarth Property Investments Limited;"	"(h) the property known as the Market Place Shopping Centre, Bridge Street, Bolton registered under title numbers GM485110 and MAN28081 and owned by Moorgarth Retail Limited (the "Market Place Property");"

Amendment of the definition of "Portfolio Properties Facility" as follows:

1.14.1. substituting the title of the definition with the title "Portfolio Properties Facilities";
1.14.2. the addition of the word "and" at the end of sub-clause (a); and
1.14.3. insertion of a new sub-clause (b): "the term loan facility made available by the Issuer to Tradegro on or about the Programme Date for the Rand equivalent of £44,330,000 (forty four million three hundred and thirty thousand Pounds Sterling);"

1.15. Amendment of the definition of "Portfolio Properties LTV" as follows:

Current subclause and wording	Proposed new subclause and proposed new wording
"(a) the total outstanding loans under the Portfolio Properties Facility;"	"(a) the total outstanding loans under the Portfolio Properties Facilities;"

1.16. The insertion of a new definition "Programme Date" immediately after the definition "Preference Shares" with the following accompanying text: "12 December 2017".
1.17. The insertion of a new definition "Programme Memorandum" immediately after the newly inserted definition "Programme Date" with the following accompanying text: "the Programme Memorandum dated 12 December 2017 relating to the Preference Shares, prepared in connection with the Programme, as revised, supplemented, amended or updated from time to time by the Issuer including, in relation to each Tranche of Preference Shares, by the Applicable Pricing Supplement of such Tranche of Preference Shares and such other documents as are from time to time incorporated therein by reference;".
1.18. Amendment of the definition of "Release Document" as follows:

Current subclause and wording	Proposed new subclause and proposed new wording
"(f) the discharge by the Issuer in favour of Moorgarth Property Investments Limited in respect of Girvan; (g) the discharge by the Issuer in favour of Moorgarth Property Investments Limited in respect of Barrhead; (h) the discharge by the Issuer in favour of Moorgarth Property Investments Limited in respect of Rutherglen (heritable); (i) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in respect of Rutherglen (heritable); (j) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in respect of Barrhead; (k) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Retail Limited in respect of Rutherglen (leasehold); (l) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in respect of Johnstone; (m) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in favour of the Issuer in respect of Girvan;"	"(f) the discharge by the Issuer in favour of Moorgarth Property Investments Limited in respect of Barrhead; (g) the discharge by the Issuer in favour of Moorgarth Property Investments Limited in respect of 42 High Street, Johnstone, PA5 8AN; (h) the discharge by the Issuer in favour of Moorgarth Property Investments Limited in respect of 63/71 Dalrymple Street, Girvan KA26 9BS; (i) the discharge by the Issuer in favour of Moorgarth Property Investments Limited in respect of Rutherglen (heritable); (j) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in respect of Rutherglen (heritable); (k) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in respect of Barrhead; (l) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Retail Limited in respect of Rutherglen (leasehold); (m) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in respect of 42 High Street, Johnstone, PA5 8AN; and (n) the retrocession of assignation of rents by the Issuer in favour of Moorgarth Property Investments Limited in respect of 67/71 Dalrymple Street, Girvan, KA26 9BS;"

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

ANNEXURE A: PROPOSED AMENDMENTS TO "SCHEDULE 2 – B PREFERENCE SHARE TERMS" OF THE MOI AS CONTEMPLATED IN SPECIAL RESOLUTION NUMBER 5 OF THIS NOTICE.

1.19 Amendment of the definition of "Security Charge" as follows:

Current subclause and wording	Proposed new subclause and proposed new wording
"(a) the fixed charge granted or to be granted by Moorgarth Properties Limited in favour of the Issuer over Berwick-Upon-Tweed; (b) the fixed charge granted or to be granted by Moorgarth Property Investments Limited in favour of the Issuer over Wilmington Grove; (c) the fixed charge granted by London Office S.àr.l in favour of the Issuer over 24 Lime Street and 25-26 Lime Street; (d) the fixed charge granted or to be granted by Inception Holdings S.àr.l in favour of the Issuer over the Market Place Property; (e) the standard security by Moorgarth Retail Limited in favour of the Issuer over Rutherglen (leasehold); (f) the standard security by Moorgarth Property Investments in favour of the Issuer over Johnstone; (g) the standard security by Moorgarth Property Investments in favour of the Issuer over Girvan; (h) the standard security by Moorgarth Property Investments in favour of the Issuer over Barrhead; (i) the standard security by Moorgarth Property Investments in favour of the Issuer over Rutherglen (heritable); (j) the assignation of rents by Moorgarth Property Investments in favour of the Issuer in respect of Rutherglen (heritable); (k) the assignation of rents by Moorgarth Property Investments in favour of the Issuer in respect of Barrhead; (l) the assignation of rents by Moorgarth Retail Limited in favour of the Issuer in respect of Rutherglen (leasehold); (m) the assignation of rents by Moorgarth Property Investments in favour of the Issuer in respect of Johnstone; (n) the assignation of rents by Moorgarth Property Investments in favour of the Issuer in respect of Girvan; (o) any other fixed charge, standard security or assignation of rents granted or to be granted by a Material Company in favour of another Material Company for purposes of securing an Intercompany Loan;"	"(a) the fixed charge granted by Moorgarth Properties Limited in favour of the Issuer over Berwick-upon-Tweed; (b) the fixed charge granted by Moorgarth Property Investments Limited in favour of the Issuer over Wilmington Grove; (c) the fixed charge granted by London Office S.àr.l in favour of the Issuer over 24 Lime Street and 25-26 Lime Street; (d) the fixed charge granted or to be granted by Moorgarth Retail Limited on 1 January 2020 in favour of the Issuer over the Market Place Property; (e) the standard security by Moorgarth Retail Limited in favour of the Issuer over Rutherglen (leasehold); (f) the standard security by Moorgarth Retail Limited in favour of the Issuer over Barrhead; (g) the standard security by Moorgarth Property Investments in favour of the Issuer over Rutherglen (heritable); (h) the assignation of rents by Moorgarth Property Investments in favour of the Issuer in respect of Rutherglen (heritable); (i) the assignation of rents by Moorgarth Property Investments in favour of the Issuer in respect of Barrhead; (j) the assignation of rents by Moorgarth Retail Limited in favour of the Issuer in respect of Rutherglen (leasehold); (k) any other fixed charge, standard security or assignation of rents granted or to be granted by a Material Company in favour of another Material Company for purposes of securing an Intercompany Loan;"

1.20 Amendment of the definition of "Transaction Agreement" as follows:
1.20.1. the replacement of the word "the" with the word "each" in sub-clause (a);
1.20.2. the deletion of sub-clause (b) in its entirety and renumbering of the ensuing sub-clauses; and
1.20.3. the amendment to the following renumbered sub-clause (b):

Current subclause and wording	Proposed new subclause and proposed new wording
"(b) the Portfolio Guarantee and the Market Place Guarantee;"	"(b) the Portfolio Guarantee;"

2. Clause 29

2.1. Deletion of sub-clause 29.2 in its entirety.

3. Clause 34

3.1. Deletion of subclause 34.1.1.2 in its entirety.
3.2. Amendment to the following subclauses:

Current subclause and wording	Proposed new subclause and proposed new wording
"34.1.1.3 the Portfolio Properties LTV is not more than 64% (sixty four percent);"	"34.1.1.2 the Portfolio Properties LTV is not more than 65% (sixty five percent);"

3.3 Deletion of subclause 34.1.2.2 in its entirety.
3.4. Amendment to the following subclauses:

Current subclause and wording	Proposed new subclause and proposed new wording
"34.1.3.1 The Vacancy Ratio of the Market Place Property may not fall below 85% (eighty five percent) throughout the Term."	"34.1.3.1 The Vacancy Ratio of the Portfolio Properties may not fall below 80% (eighty percent) throughout the Term."

3.5 Deletion of sub-clause 34.1.3.2 in its entirety.
3.6. Deletion of sub-clause 34.1.3.3.1.4 in its entirety.
3.7. Amendment to the following sub-clauses:

Current subclause and wording	Proposed new subclause and proposed new wording
"34.3.2.1 in relation to the Issuer Interest Cover Ratio, the Market Place Interest Cover Ratio and the Portfolio Properties Interest Cover Ratio, by reducing the finance cost (as contemplated in the definition of Interest Cover Ratio) for the Relevant Measurement Period as if the Cure Amount had been applied in repaying amounts outstanding under the Market Place Facility, Portfolio Properties Facility or any Outstanding Preference Share Obligations (as applicable) at the commencement of the Relevant Measurement Period."	"34.3.2.1 in relation to the Issuer Interest Cover Ratio and the Portfolio Properties Interest Cover Ratio, by reducing the finance cost (as contemplated in the definition of Interest Cover Ratio) for the Relevant Measurement Period as if the Cure Amount had been applied in repaying amounts outstanding under the Portfolio Properties Facilities or any Outstanding Preference Share Obligations (as applicable) at the commencement of the Relevant Measurement Period."
"34.3.2.2 in relation to the Issuer LTV, the Market Place LTV or the Portfolio Properties LTV, by reducing the Total Debt, the outstandings under the Market Place Facility or the outstandings under the Portfolio Properties Facility (as applicable) as at the relevant Measurement Period."	"34.3.2.2 in relation to the Issuer LTV or the Portfolio Properties LTV, by reducing the Total Debt or the outstandings under the Portfolio Properties Facilities as at the relevant Measurement Period."

4. Clause 35

4.1. Amendment of sub-clause 35.9.3.9 to replace the term "Programme Date" with the term "Programmes Date".
4.2. Amendment to the following sub-clause:

Current subclause and wording	Proposed new subclause and proposed new wording
"35.10.5.2 any guarantee or indemnity given under the Finance Documents, the Market Place Guarantee or the Portfolio Guarantee;"	"35.10.5.2 any guarantee or indemnity given under the Finance Documents or a Portfolio Guarantee;"

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

ANNEXURE A: PROPOSED AMENDMENTS TO "SCHEDULE 2 – B PREFERENCE SHARE TERMS" OF THE MOI AS CONTEMPLATED IN SPECIAL RESOLUTION NUMBER 5 OF THIS NOTICE.

Tradehold Limited
(Incorporated in the Republic of South Africa)
(Registration number 1970/009054/06)
JSE Ordinary Share code: TDH ISIN: ZAE000152658
JSE B Preference Share code: TDHBP ISIN: ZAE000253050
("Tradehold" or "the company")

APPLICATION FOR ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING

Where appropriate and applicable, the terms defined in the notice (the "AGM Notice") of annual general meeting to which this application for electronic participation form is attached and forms part of shall bear the same meaning in this application form.

Instructions

Shareholders, or their proxies, have the right, as authorised in the MOI and provided for in the Act, to participate by way of electronic communication in the AGM. Shareholders or their duly appointed proxies who wish to participate by way of electronic communication must apply to the company secretary, by completing this application form and by delivering it to the company secretary at Suite 1408, Portside Building, 4 Bree Street, Cape Town, 8001, or emailing it to tdhcosec@leacorporateservices.co.za as soon as possible, but in any event by no later than 11:00 on Tuesday, 11 August 2020.

Please note

Shareholders, or their proxies, may not vote electronically and must use the form of proxy attached to the AGM Notice for this purpose if they wish to have their vote counted.

By no later than 17:00 on Wednesday, 12 August 2020, Shareholders, or their proxies, will be advised by email, telephone call or text message of the relevant telephone number and access code to allow them to dial in and participate electronically in the AGM.

The company will bear the cost of establishing the electronic communication whilst the cost of the Shareholder (or its proxy) dialling in or logging on will be for its own account.

By signature of this application form, the Shareholder or its proxy indemnifies and holds Tradehold harmless against any loss, injury, damage, penalty or claim arising in any way from the use of the telecommunication lines to participate in the AGM or any interruption in the ability of the Shareholder or proxy to participate in the AGM via electronic communication, whether or not the problem is caused by any act or omission on the part of the Shareholder, its proxy or anyone else, including without limitation Tradehold and its employees.

Information required for participation by electronic communication at the AGM

Full names of Shareholder or authorised representative (for company or other legal entity):

Identity number or registration number of individual/entity:

Email address:

Cell phone number:

Telephone number, including dialling codes:

Documents required to be attached to this application form

1. In order to exercise their voting rights at the AGM, Shareholders who choose to participate electronically are to appoint a proxy, which proxy may only participate at such AGM, provided that a duly completed proxy form has been submitted in accordance with the instructions on that form, and as envisaged in the notice of the AGM, a copy of which proxy form is also to be attached to this application.
2. Documentary evidence establishing the authority of the named person, including any person acting in a representative capacity, who is to participate in the AGM, must be attached to this application.
3. A certified copy of the valid identity document/passport/driver's licence of the person attending the AGM by electronic participation, including any person acting in a representative capacity, must be attached to this application.

Signed at on 2020

Signature:

Assisted by (where applicable):

Applications to participate by electronic communication will only be considered if this application form is completed in full, signed by the Shareholder, its proxy or representative, and delivered to the company secretary as aforesaid. Tradehold may in its sole discretion accept any incomplete application forms.

STOCK EXCHANGE TRANSACTIONS

	2020	2019	2018	2017	2016
Number of shares traded ('000)	4 714	10 263	17 424	8 580	12 914
Value of shares traded (R'000)	51 870	149 707	320 410	203 619	287 754
Volume of shares traded as % of total issued shares	1.80	4.05	7.05	3.47	6.9
Market capitalisation (R'000)	2 482 792	3 165 262	3 954 790	5 139 533	5 477 781
Share prices for the year (cents)					
Lowest	8.46	9 01	13 90	1 875	1 650
Average	11.36	12 87	18 45	2 541	2 250
Highest	12.80	16 74	21 35	3 870	3 401
Closing	9.50	12 50	16 00	2 080	2 910

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 2020, 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.

PJ Janse van Rensburg
Company Secretary

21 May 2020

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, 3rd Floor, Pepkor, 36 Stellenberg Road, Parow Industria, 7493
telephone number: +27 21 929 4885

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.

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 19 May 2020 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

19 May 2020

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DIRECTORATE AND ADMINISTRATION

Directorate

C H Wiese (78) †
B A, LL B, D Com (HC)
Chairman

K R Collins (48) +

L L Porter (68) *°
B A, BSc, DPhil, FBCS, CITP
Appointed on 2 May 2018

M J Roberts (73) *+°
B A

H R W Troskie (50) *+
B Juris, LL B, LL M

J D Wiese (39) †
B A, LL B, M Com
alternate to C H Wiese

T A Vaughan (54) #
B Sc Hons, MRICS

F H Esterhuyse (50) #
B Acc Hons, M Com, CA(SA)

K L Nordier (53) #°
B Acc, BCompt Hons, CA (SA)
Financial director

D A Harrop (50) #
B A Hons, ACA

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

Administration

Company secretary
P J Janse van Rensburg
Suite 1408 Portside Building
4 Bree Street
Cape Town 8001

Sponsor
Questco Corporate Advisory (Pty) Ltd
First Floor Yellowwood House
Ballywoods Office Park
33 Ballyclare Drive
Bryanston 2021

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 4880
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

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.àr.l
  Moorgarth owns a portfolio of commercial properties situated in the United Kingdom as well as Boutique, a serviced office business.
- Collins Property Projects Proprietary Limited
  Hold a portfolio of commercial properties following the acquisition of the Collins Group's South African property portfolio during the 2017 financial year.
- Nguni Property Fund Limited
  Nguni owns a portfolio of commercial properties and property developments in Namibia.
- Tradehold Africa Limited
  Holds a portfolio of commercial properties in Mozambique and Zambia.
- Tradegro S.àr.l
  Tradegro renders head office and treasury services in the group.

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 2020 are shown in note 2 to the annual financial statements.

Borrowings
Interest-bearing borrowings are shown in notes 18, 19 , 20 and 23 to the annual financial statements, and includes bank borrowings of £409.3 million (2019: £480.4m).

Group results

Earnings
After taking into account the interest of non-controlling shareholders, the group reports a basic earnings per share of 2.3 pence (2019: 5.3 pence).

The annual financial statements on pages 34 to 131 set out fully the financial position, results of operations and cash flows of the group for the financial year ended 29 February 2020.

Dividends
A dividend of 55 cents per share with a reinvestment option, was declared on 21 May 2019 (2019: 50 cents per share). The dividend to shareholders not electing the reinvestment option was paid on 14 June 2019. The new shares subscribed for by shareholders electing the reinvestment options, were issued on 18 June 2019.

Events after the reporting period
On 11 March 2020, the World Health Organisation ("WHO") declared COVID-19 a pandemic.

Both the South African and United Kingdom governments curtailed business activities in an attempt to reduce the spread of COVID-19.

The group remains cautious and continues to evaluate the impact of COVID-19 on its businesses as detailed in note 37 to the annual financial statements.

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 Mr KR Collins and Mr LL Porter retire as directors of the company at the annual general meeting but, being eligible, offer themselves for re-election.

At 29 February 2020 the directors of Tradehold Limited held a direct interest of 0.26% (2019: 0.26 %) and an indirect, non-beneficial interest of 64.27% (2019: 63.47%) 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 2020 the company had no holding company. An analysis of the main shareholders of the company appears on page 132 of this report.

Secretary
The name and address of the secretary appears on page 28 of this report.

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

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Tradehold Limited

Report on the audit of the consolidated and separate financial statements

Our 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 (the Company) and its subsidiaries (together the Group) as at 29 February 2020, 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 ("IFRS") and the requirements of the Companies Act of South Africa.

What we have audited

Tradehold Limited's consolidated and separate financial statements set out on pages 34 to 131 comprise:

- the consolidated and separate statements of financial position as at 29 February 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended;
- the accounting policies; and
- the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report.

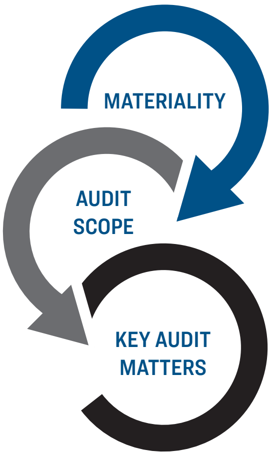
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the sections 290 and 291 of the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors (Revised January 2018)*, parts 1 and 3 of the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (Revised November 2018) (together the IRBA Codes) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities, as applicable, in accordance with the IRBA Codes and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Codes are consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* and the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* respectively.

Our audit approach

Overview



Overall group materiality

£8,839,000, which represents 1% of consolidated total assets.

Group audit scope

The Group consists of four property owning components and three head office components. Full scope audits were performed at two of the largest property owning components, which has its property assets located in South Africa and the United Kingdom ("UK"). We audited the investment property related balances on the remaining property owning components predominantly located in Namibia and elsewhere in Africa. We also performed full scope audits at two of the three head office components, and performed an audit of specific balances with analytical procedures over the remaining components.

Key audit matter

Valuation of investment properties.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

pwc

Overall group materiality	£8,839,000.
How we determined it	1% of consolidated total assets.
Rationale for the materiality benchmark applied	We chose consolidated total assets as the benchmark considering that, in our view, this is the key benchmark against which the performance of the Group is most commonly measured by the users of the financial statements. The continued expansion of the Group which we expect to continue, further supports the use of total assets as our benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for companies in this sector.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group manages a property portfolio which includes retail, offices, industrial, residential and leisure properties in the UK, South Africa, Namibia and other African countries.

Our scoping assessment included consideration of the financial significance of the Group's components as well as the sufficiency of work planned to be performed over material financial statement line items. The Group consists of four property owning components and three head office components. We identified two financially significant components in the Group, being two of the property owning components, namely Moorgarth Group and Collins Group, which operate in the UK and South Africa, respectively. We performed full scope audits for these two significant components as well as two head office components. Based on indicators such as the contribution to consolidated revenue and consolidated profit before taxation, for the other three components, we performed a combination of audit of balances and/or classes of transactions and analytical procedures.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, and component auditors from other PwC network firms and another audit firm, operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group.

Where the work was performed by component auditors, we determined the level of group involvement necessary in the audit work of the components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the consolidated financial statements as a whole. By performing these considerations together with the procedures performed on the consolidation, intercompany eliminations and the analytical procedures performed at a group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We communicate the key audit matter that relates to the audit of the consolidated financial statements of the current period in the table below. We have determined that there are no key audit matters in respect of the separate financial statements of the Company to communicate in our report.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties The valuation of the Group's investment properties is a key contributor to the asset value of the Group. The Group carries investment property at fair value in accordance with International Accounting Standard (IAS) 40 – *Investment Property.* As at 29 February 2020 the Group's investment property portfolio, including the straight-line lease income adjustment, was measured at £728.5 million, after recognising a fair value loss in the consolidated statement of comprehensive income of £18.5 million. The fair values are based on the directors' valuation for a portion, and for the remainder the directors utilised valuation experts (the "valuers") to assist them with the valuation of the investment properties.	We inspected the underlying valuation documentation for a sample of the properties valued externally, or valued by the directors in the current year, in order to evaluate whether the valuation approach followed by the directors for each property was in accordance with IFRS. We found the valuation approach to be consistent with the requirements of IFRS. We evaluated the valuers' qualifications, expertise and experience in property valuations by inspecting their curricula vitae, including a consideration of whether they are members of a registered professional body. We did not note any aspect in this regard requiring further consideration.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the shareholders of Tradehold Limited

Key audit matter	How our audit addressed the key audit matter
In determining a property's valuation, the directors and the valuers take into account property specific information such as the current tenancy agreements and vacancy rates, as well as the impacts resulting from COVID-19. The valuers apply assumptions for yields and estimated future market rents, which are influenced by prevailing market yields, comparable property and leasing transactions in the market, to arrive at the final valuation. Certain financial covenants relating to the Group's major borrowings are based on property valuations. The directors have evaluated the financial covenants at 29 February 2020, as well for the forecast period of 12 months following year-end to determine the risk of breaching them post year-end. The valuation of investment properties was considered to be a matter of most significance to the current year audit due to significant estimation uncertainty in relation to key assumptions (the yields and vacancy rates), coupled with the fact that only a small percentage difference in yields for individual property valuations, when aggregated, could result in a material impact on valuations. Refer to note 2 to the consolidated financial statements for details on the valuation of investment properties, note 37 for subsequent events, the property analysis schedule and note 31 within the accounting policies for critical accounting estimates.	We tested the accuracy, reliability and completeness of data inputs into the directors' valuations, as well as in the valuations prepared by the valuers. We focused on the data inputs underpinning the investment property valuations for a selection of investment properties, including projected rental income and associated running costs, vacancy rates, income capitalisation rates and discount rates by agreeing these to appropriate underlying documentation. Our audit procedures covered different types of properties including retail, office, industrial, leisure and residential and no material differences in the valuations were noted. We held discussions with the valuers on the valuations and key assumptions used. We utilised our internal valuation expertise to assess the reasonability of the assumptions in the valuations performed by management's experts. Our work focussed on developing independent expectations which we compared to the directors' valuations for a sample of properties. In doing this, we used comparable market data and focused in particular on properties where the growth in capital values was higher or lower than our expectations, based on available market information. We compared the investment yields used by the directors and valuers to an estimated range of expected yields, determined via reference to published benchmarks. The inputs were found to be within an acceptable range. We reperformed the financial covenant calculations on the Group's major borrowings with reference to the loan agreements with the respective lending institutions, and noted no exceptions. We also obtained external loan confirmations from the lending institutions for the borrowings and agreed the amounts per the confirmations to the recognised amounts, noting no material differences. We inspected communication from the lending institutions indicating their continued support, and noted indications of the possible waiver of covenants, should the need arise.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Tradehold Ltd Consolidated annual financial statements for the year ended 29 February 2020", which includes the Directors' Report, the Audit Committee's Report and the Secretarial certification as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Tradehold Ltd Integrated Report 2020", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the 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.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and / or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 22 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: JR de Villiers

Registered Auditor

Cape Town
21 May 2020

STATEMENTS OF FINANCIAL POSITION

Tradehold Limited and its subsidiaries at 29 February 2020

COMPANY 2019 R'000	COMPANY 2020 R'000		Notes	GROUP 2020 £'000	GROUP 2019 £'000
		Assets			
4 079 060	4 005 603	**Non-current assets**		826 306	805 592
		Property, plant and equipment	1	11 312	9 336
		Investment property	2	649 064	702 124
		Investment property – straight lining lease income accrual	2	30 442	25 085
		Investment property – right-of-use assets	3	49 021	
		Intangible assets	4	8 031	8 080
		Deferred taxation	9	9 135	11 811
7 838	7 838	Investment in subsidiaries	5	–	–
4 071 222	3 968 817	Loans to subsidiaries	5		
		Investments accounted for using the equity method			
		Investments in joint venture	6	12 312	11 328
		Investments in associates	7	504	543
		Derivative financial instruments	20	12 928	8 286
		Financial assets at amortised cost:			
		Loans to joint venture	6.3	16 376	18 371
		Loans to associates			
–	28 948	Loans receivable	8	18 285	9 770
		Other non-current assets	13	8 896	858
24 436	25 440	**Current assets**		53 040	52 541
		Financial assets at fair value through profit and loss	10	7 697	7 548
		Financial assets at amortised cost:			
20 428	22 696	Loans to subsidiaries	5		
		Loans receivable	8	1 706	872
		Loans to associates	7.3	5 578	6 488
2 200	2 200	Trade and other receivables	12	7 114	7 964
		Other current assets	13	7 437	16 465
		Taxation		13	308
1 808	544	Cash and cash equivalents	14	23 495	12 896
		Assets classified as held for sale	11	4 507	893
4 103 496	**4 031 043**	**Total assets**		**883 853**	**859 026**
		Equity and liabilities			
2 967 181	2 916 534	**Ordinary shareholders' equity**		282 667	287 161
3 097 001	3 057 711	Share capital and share premium	15	217 803	220 392
(129 820)	(141 177)	Reserves	16	64 864	66 769
		Non-controlling interest	17	51 403	9 871
2 967 181	2 916 534	**Total equity**		334 070	297 032
1 110 686	1 089 242	Non-current liabilities		494 937	506 793
1 110 686	1 089 242	Preference share liability	18	54 357	59 780
		Long-term borrowings	19	346 542	401 101
		Lease liabilities	3	43 149	
		Derivative financial instruments	20	6 274	2 296
		Deferred taxation	9	44 615	43 616
25 629	25 267	**Current liabilities**		54 846	55 201
20 428	22 696	Preference share liability	18	1 133	1 099
–		Short-term borrowings	23	22 836	27 120
		Deferred revenue	21	6 683	6 335
5 201	2 571	Trade and other payables	22	17 241	19 450
		Lease liabilities	3	5 804	
		Taxation		1 149	559
		Bank overdrafts	14	–	638
1 136 315	**1 114 509**	**Total liabilities**		**549 783**	**561 994**
4 103 496	**4 031 043**	**Total equity and liabilities**		**883 853**	**859 026**

STATEMENTS OF COMPREHENSIVE INCOME

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY				GROUP	
2019 R'000	**2020 R'000**		**Notes**	**2020 £'000**	**2019 £'000**
		Revenue	24	94 608	96 438
—	139	Other operating income	25	8 005	1 875
		(Loss)/Profit on disposal of investment property	26	(1 419)	1 369
		Net loss from fair value adjustment on investment property	2 & 3.1.1	(18 522)	(17 315)
		Gain on disposal and scrapping of PPE (excluding buildings)	26	—	11
		Impairment losses on financial assets	26	(2 115)	(825)
(44)	(44)	Employee benefit expenses	26	(6 980)	(6 586)
(103)	(180)	Lease expenses	26	(27)	(7 536)
		Depreciation, impairment and amortisation	1	(2 881)	(3 006)
(23 827)	(11 214)	Other operating costs	26	(19 025)	(21 166)
(23 974)	(11 299)	**Trading profit/(loss)**		51 644	43 259
		Loss on disposal of investments			(48)
61 910		(Loss)/gain on acquisition/disposal of subsidiary		(100)	3 107
		Impairment of intangible assets	4.2.2	(59)	(115)
		Fair value gain on financial assets at fair value through profit or loss		6 645	8 773
37 936	(11 299)	**Operating profit/(loss)**	26	58 130	54 976
94 637	90 596	Finance income	27	7 663	7 975
(92 727)	(90 654)	Finance cost	27	(47 247)	(51 241)
		(Loss)/earnings from joint venture	6	(1 141)	2 473
		Earnings from associated companies	7	—	13
39 846	(11 357)	**Profit before taxation**		17 405	14 196
		Taxation	28	(7 242)	(664)
39 846	(11 357)	**Profit for the year from continuing operations before non-controlling interest**		10 163	13 532
		Profit from operations held for distribution before non-controlling interest			296
		Profit for the year before non-controlling interest		10 163	13 828
		Other comprehensive income			
		Items that may be subsequently reclassified to profit or loss			
		(Losses)/gains on cash flow hedges		(371)	320
		Deferred tax on cash flow hedges		60	(59)
		Exchange differences on translation of foreign operations		(15 777)	(19 496)
		Items that may not be subsequently reclassified to profit or loss			
		Revaluation of land and buildings		634	
39 846	(11 357)	**Total comprehensive income for the year**		(5 291)	(5 407)

Profit attributable to:			
Owners of the parent		5 985	13 212
Non-controlling interest		4 178	616
		10 163	13 828
Total comprehensive income attributable to:			
Owners of the parent		(6 093)	(6 023)
Non-controlling interest		802	616
Total comprehensive income for the year		(5 291)	(5 407)
Earnings per share for profit attributable to the ordinary equity holders of the company	29		
Basic earnings per share		2.3	5.3
Diluted earnings per share		2.3	5.3

STATEMENTS OF CASH FLOWS

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY 2019 R'000	COMPANY 2020 R'000		Notes	GROUP 2020 £'000	GROUP 2019 £'000
		Cash flows from operating activities			
37 936	(11 298)	Operating profit		58 130	54 976
(61 910)		Non-cash items	30.1	6 080	(1 001)
(5 167)	(2 630)	Changes in working capital	30.2	(2 677)	(7 047)
(29 141)	(13 928)	Cash (used in)/from operations		61 533	46 928
92 437	89 147	Interest received		2 346	4 333
(91 389)	(89 436)	Interest paid	30.5	(43 167)	(46 517)
(123 587)	(139 230)	Dividends paid to ordinary shareholders		(7 366)	(6 888)
		Dividends paid to non-controlling interests		(470)	(145)
		Taxation refunded/(paid)	30.3	231	534
(151 680)	(153 447)	**Net cash flows from operating activities**		13 107	(1 755)
		Cash flows from/utilised in investing activities			
		Acquisition of investment properties	2.2	(12 101)	(15 221)
		Acquisition of property, plant and equipment	1	(1 622)	(1 805)
		Acquisition of financial assets		24	(84)
		Proceeds on disposal of investment properties		10 877	54 258
		Proceeds on disposal of property, plant and equipment		22	344
		Proceeds on disposal of financial assets		853	1 729
		Loans advanced to joint venture	6.4	(700)	(227)
81 403	72 638	Loans repaid by/(advanced to) group companies		—	—
		Loans repaid by/(advanced to) associate undertaking	7.4	(393)	(94)
		Loans and advances – advanced	8.2	(18)	(580)
		Loans and advances – repaid	8.2	9 064	846
81 403	72 638	**Net cash flows from/utilised in investing activities**		6 006	39 166
		Cash flows from financing activities			
		Proceeds from borrowings	30.5	61 083	99 793
	—	Repayment of borrowings	30.5	(92 371)	(143 381)
32	34	Proceeds from preference share issue		2	2
(18 158)	(20 428)	Redemption of preference shares	30.5	(1 096)	(1 017)
88 768	100 801	Proceeds from ordinary share issue	30.4	5 526	4 879
	(862)	Repurchase of ordinary shares		(45)	—
		Acquisition of treasury shares		(703)	(1 278)
		Proceeds on disposal of interest in subsidiary that did not result in loss of control	17.1	25 567	—
		Principle portion of lease liabilities	30.5	(5 804)	—
70 642	79 545	**Net cash from financing activities**		(7 841)	(41 002)
365	(1 264)	**Net increase in cash and cash equivalents**		11 272	(3 591)
		Effect of changes in exchange rate		(35)	(34)
1 443	1 808	Cash and cash equivalents at beginning of the year		12 258	15 883
1 808	544	Cash and cash equivalents at end of the year		23 495	12 258
		Cash and cash equivalents consists of:			
1 808	544	Cash and cash equivalents	14	23 495	12 896
		Bank overdrafts			(638)
1 808	544			23 495	12 258

The notes on pages 50 to 118 are an integral part of these consolidated annual financial statements

TRADEHOLD LTD

STATEMENTS OF CHANGES IN EQUITY

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

£'000	Share capital and premium	Foreign currency translation reserve	Share based payment reserve	Cash flow hedging reserve	Revaluation surplus	Accumulated loss/ Retained earnings	Attributable to equity holders of the parent	Non-controlling interest	Total
GROUP									
Balance at 28 February 2018	260 102	13 851	77	(184)		50 898	324 744	13 858	338 602
Profit for the year						13 211	13 211	616	13 827
Issue of ordinary shares by the company								–	
Dividends distributed to shareholders	(6 888)					–	(6 888)		(6 888)
Dividends reinvested by shareholders	4 879					–	4 879		4 879
Acquisition of treasury shares	(1 278)						(1 278)		(1 278)
Capital distribution (return of capital in unbundling transaction)	(36 423)					8 662	(27 761)	(1 186)	(28 947)
Disposal of subsidiary								(3 706)	(3 706)
Transactions with non-controlling interests						(434)	(434)	434	
Capital reserve (ESOP)			(76)				(76)		(76)
Distribution to non-controlling interests								(145)	(145)
Other comprehensive income for the year		(19 497)		261			(19 236)		(19 236)
Balance at 28 February 2019	220 392	(5 646)	1	77		72 337	287 161	9 871	297 032
Profit for the year						5 986	5 986	4 178	10 164
Repurchase of ordinary shares by the company – odd lot and specific offer	(45)						(45)		(45)
Dividends distributed to shareholders	(7 366)						(7 366)		(7 366)
Dividends reinvested by shareholders	5 526						5 526		5 526
Acquisition of treasury shares	(704)						(704)		(704)
Disposal of share in subsidiary without loss of control – refer note 17.1						4 336	4 336	41 144	45 480
Transactions with non-controlling interests						(185)	(185)	56	(129)
Capital reserve (ESOP)			36				36		36
Distribution to non-controlling interests								(470)	(470)
Other comprehensive income for the year		(12 401)		(311)	634		(12 078)	(3 376)	(15 454)
Balance at 29 February 2020	217 803	(18 047)	37	(234)	634	82 474	282 667	51 403	334 070
COMPANY									
Balance at 28 February 2018	3 736 210					(169 666)	3 566 544		3 566 544
Profit for the year						39 846	39 846		39 846
Capital distribution	(604 390)						(604 390)		(604 390)
Dividends distributed to shareholders	(123 587)						(123 587)		(123 587)
Dividends reinvested by shareholders	88 768						88 768		88 768
Other comprehensive income for the year									
Balance at 28 February 2019	3 097 001					(129 820)	2 967 181		2 967 181
Profit for the year						(11 357)	(11 357)		(11 357)
Issue of ordinary shares by the company									
Shares repurchased – oddlot and specific offer	(861)						(862)		(862)
Dividends distributed to shareholders	(139 230)						(139 230)		(139 230)
Dividends reinvested by shareholders	100 801						100 801		100 801
Other comprehensive income for the year									
Balance at 29 February 2020	3 057 711					(141 177)	2 916 533		2 916 533

ACCOUNTING POLICIES

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

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

1. Basis of preparation

Statement of compliance

The consolidated and separate annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations adopted by the International Accounting Standards Board ("IASB"), the South African Institute of Chartered Accountants ("SAICA"), Financial Reporting Guides as issued by the Accounting Practices Committee.

Financial Pronouncements as issued by the Financial Reporting Standards Council ("FRSC"), the requirements of the Companies Act of South Africa and the JSE Limited Listings Requirements.

Preparation of the consolidated annual financial statements

The consolidated and separate annual financial statements have been prepared on the historical cost basis, except for the following:

- **Certain financial assets and liabilities (including derivative instruments), certain classes of property, plant and equipment and investment propert**y – measured at fair value, and
- **Assets held for sale** – measured at fair value less costs to sell.

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 policy 31.

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 policy and disclosures

(a) New and amended standards, interpretations and amendments adopted by the group

The following new standards, and interpretations and amendments to existing standards, that are effective as at 29 February 2020 have been adopted by the group for the first time for the annual reporting period commencing 1 March 2019:

Number	Title	Effective date (annual periods beginning on or after)
IFRS 16	Leases	1 January 2019
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019
Amendments to IFRS 9 Financial instruments	Prepayment Features with Negative Compensation	1 January 2019
Amendments to IAS 28 Investments in associates	Long-term Interests in Associates and Joint Ventures	1 January 2019
	Annual Improvements to IFRS Standards 2015–2017 Cycle	
Amendments to IAS 19 Employee benefits	Plan Amendment, Curtailment or Settlement	1 January 2019
Amendments to IFRS 3 Business combinations	Definition of a business	1 January 2020 (early adopted)

IFRS 16 Leases

The group has adopted IFRS 16 Leases retrospectively from 1 March 2019 but has not restated comparatives for the 2019 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 March 2019. The new accounting policies are disclosed in note 8.

On adoption of IFRS 16, the group recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of IAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 March 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 4.34% on property leased for the service office business and 3.95% for investment properties held on long leaseholds.

Lessor accounting

Properties leased out under operating leases are included in investment property in the statement of financial position (note 2). The group recognises rental income under operating leases on a straight line basis over the lease term (refer note 28 (a) for the recognition of rental income).

The group did not need to make any adjustments to the accounting for assets held under operating leases as a result of adopting the new leasing standard.

Lessee accounting

The group recognises a right-of-use asset and a lease liability at the lease commencement date.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 March 2019 as the rate implicit in the lease was not readily determinable. Lease payments included in the measurement of the lease liability comprise:

- fixed payments;
- variable lease payments dependent on an index or a rate, initially measured using the index or rate as at the lease commencement date; and
- payments to be made under reasonably certain extension options.

The lease liability is subsequently measured at amortised cost using the effective interest method. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

Practical expedients applied

In applying IFRS 16 for the first time, the group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 March 2019
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.
- The group has elected not to reassess whether a contract is, or contains a lease at the date of the initial application. Instead, for contracts entered into before the transition date the group relied on its assessment made applying IAS 17.

Measurement of lease liabilities

	2020 £'000
Operating lease commitments disclosed as at 28 February 2019	70,679
Discounted using the lessee's incremental borrowing rate at the date of initial application	51,514
Less: low value/short term leases not recognised as a liability	(27)
Lease liability recognised as at 1 March 2019	**51,487**

Measurement of right-of-use assets

Right-of-use assets are initially measured at cost comprising the amount of the initial measurement of the lease liability adjusted for any lease payments made in advance, plus any initial direct costs incurred less any lease incentives received.

Adjustment recognised in the Statement of Financial Position on 1 March 2019

	28 February 2019 as reported £'000	Adjustment	1 March 2019 as restated £'000
Assets			
Non-current assets	805 592	51 487	857 079
Investment property – right-of-use assets		51 487	51 487
Total assets	859 026	51 487	910 513
Non-current liabilities	506 793	45 683	552 476
Lease liabilities		45 683	45 683
Current liabilities	55 201	5 804	61 005
Lease liabilities		804	5 804
Total liabilities	561 994	51 487	613 481

The other amendments listed above did not have any significant impact on the amounts recognised in prior periods and do not significantly affect the current or future periods.

ACCOUNTING POLICIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

(b) New standards and interpretations not yet adopted

Certain new standards, amendments and interpretations that have been published, but are not yet effective for the 29 February 2020 year end and are relevant to the group, have been summarised below. None of these standards, amendments and interpretations are expected to have a material impact of the results of the group.

International Financial Reporting Standards, interpretations and amendments issued but not effective for 29 February 2020 year-end	Effective date (annual periods beginning on or after)
Amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors' – Definition of material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 17: – Interest rate benchmark reform	1 January 2020
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	1 January 2022

3. Principles of consolidation and equity accounting

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 IFRS 9 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 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 re-measured 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. Earnings per share

Earnings and headline earnings per share are calculated by dividing the net profit attributable to owners of the parent and headline earnings, respectively, by the weighted average number of ordinary shares in issue during the year.

Diluted earnings and diluted headline earnings per share is determined by adjusting for the impact on earnings and the weighted average number ordinary shares of all known dilutive potential ordinary shares.

Headline earnings per share are calculated in terms of the requirements set out in Circular 4/2018 issued by SAICA.

5. 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.

The Group has the following four operating and reportable segments:

- Property: United Kingdom
- Property: South Africa
- Property: Namibia
- Property: Rest of Africa
- Serviced Office: United Kingdom

6. 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. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit or loss on a net basis within other operating costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary 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 and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

(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;

ACCOUNTING POLICIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

(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.

7. 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.

After 1 March 2019, all leases that meet the definition of investment property are classified as investment property and measured at fair value.

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). Professional valuations are performed on a rolling basis every 3 years by registered 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 consolidated 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.

Investment property that is obtained through a lease is measured initially at the lease liability amount adjusted for any lease payments made at or before the commencement date (less any lease incentives received), any initial direct costs incurred by the group, and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

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.

For investment property to be classified as held for sale, the following conditions must be met:

- Management is committed to a plan to sell
- The asset is available for immediate sale
- An active programme to locate a buyer is initiated
- The sale is highly probable, within 12 months of classification as held for sale (subject to limited exceptions)
- The asset is being actively marketed for sale at a sales price reasonable in relation to its fair value
- Actions required to complete the plan indicate that it is unlikely that the plan will be significantly changed or withdrawn

Once all the above conditions have been met, investment property is classified as held for sale. A property can be available for immediate sale even though it still has a tenant occupying it.

8. Leases

The group's leasing activities and how these are accounted for are set out below.

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

The group leases various offices under non-cancellable operating leases expiring within 2 years to 107 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms, escalation clauses, extension options and renewal rights. On renewal , the terms of the leases are renegotiated.

The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 4.34% on property leased for the service office business and 3.95% for investment properties held on long leaseholds.

To determine the incremental borrowing rate, the group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the group, which does not have recent third party financing, and
- makes adjustments specific to the lease, eg term, country, currency and security.

Payments associated with short-term leases of office premises and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise leases below £5 000.

The group recognises deferred tax on right-of-use assets and lease liabilities separately, by applying the requirements of IAS 12. Refer to note 24.

(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. 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.

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.

10. Intangible assets other than goodwill

Future lease benefits are initially capitalised at cost, which includes the purchase price and other directly attributable costs of preparing the asset for its intended use. Future lease benefits are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of three to five years. The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise. Intangible assets other than goodwill are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment losses on intangible assets other than goodwill can be reversed. Gains and losses on the disposal of an entity include the carrying amount of intangible assets other than goodwill relating to the entity sold.

11. 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 not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Impairment losses on goodwill are not reversed.

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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. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments.

12. 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.

13. Investments and other financial assets

(a) Classification

From 1 March 2018, the group classifies its financial assets in the following measurement categories:

- To be measured subsequently at fair value (either through profit or loss or through OCI), and
- To be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The group reclassifies debt investments only when its business model for managing those assets changes.

(b) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date, the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transactions costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented as a separate line item in the statement of profit or loss. Impairment losses are presented as a separate line item in the statement of profit or loss.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial asset, where the asset's cash flows represent solely payments of principal and interest are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains /(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other operating costs and impairment losses are presented as a separate line item in the statement of profit or loss.
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net on a separate line item in the statement of profit or loss in the period in which it arises.

Equity instruments

The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payment is established.

Changes in the fair value of financial assets at FVPL are recognised on a separate line item in the statement of profit or loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

From 1 March 2019 the group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(e) **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.

14. Investments and other financial assets

Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the group could 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 decreased and the decrease could 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 was recognised in profit or loss.

Impairment testing of trade receivables is described in note 12.

15. 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.

16. 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.

17. Financial liabilities

The group classifies its financial liabilities in the following categories: at fair value through profit or loss, and measured at amortised cost. The classification depends on the purpose for which the financial liability was incurred. Management determines the classification of its financial liabilities 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.

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.

Gains or losses arising from changes in the fair value of the 'financial liabilities at fair value through profit or loss' category are presented in the profit or loss in the period in which they arise.

Financial liabilities measured at amortised cost

Financial liabilities measured at amortised cost are initially measured at fair value, and transaction costs are expensed in profit or loss.

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.

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

18. 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 unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short term nature.

19. Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value, and is subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

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The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

The amount of the loss allowance is initially equal to 12-month expected credit losses. Where there has been a significant increase in the risk that the specified debtor will default on the contract, the calculation is for lifetime expected credit losses.

Expected credit losses for a financial guarantee contract are the cash shortfalls adjusted by the risks that are specific to the cash flows. Cash shortfalls are the difference between the expected payments to reimburse the holder for a credit loss that it incurs, and any amount that an entity expects to receive from the holder, the debtor or any other party.

20. Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The group designates certain derivatives as either:

- hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges)
- hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges), or
- hedges of a net investment in a foreign operation (net investment hedges).

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 20. Movements in the hedging reserve in shareholders' equity are shown in note 20. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When derivative contracts are used to hedge forecast transactions, the group designates only the intrinsic value of the options as the hedging instrument.

Gains or losses relating to the effective portion of the change in intrinsic value of the options are recognised in the cash flow hedge reserve within equity. The changes in the time value of the options that relate to the hedged item ('aligned time value') are recognised within OCI in the costs of hedging reserve within equity.

When forward contracts are used to hedge forecast transactions, the group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses and the deferred time value of the option contracts or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- The gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

21. Deferred revenue

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

22. Deferred consideration

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

23. 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.

24. 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

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.

25. Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- Specific borrowings: actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment income from surplus funds derived from those borrowings; and
- General borrowings: weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of obtaining a qualifying asset(s).

Borrowing costs capitalised cannot exceed borrowing costs incurred.

A qualifying asset is defined as an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. An asset that normally takes more than a year to be ready for use will usually be a qualifying asset. Once management chooses the criteria and types of assets, it applies this consistently to those types of asset. The group classifies buildings under development and land acquired for the purpose of development as qualifying assets.

The group commences the capitalisation of borrowing costs once finance costs are incurred and activities are undertaken that are necessary to prepare the asset for its intended use. This occurs as follows:

- Properties under development and refurbishments: once costs have been incurred; and
- Land: once land has been acquired and is in the process of being developed, i.e. when town planning, zoning, earthworks, etc commences with a view to utilising this in development.

The group ceases capitalising borrowing costs on each qualifying asset on the date on which practical completion is issued. On this date, substantially all the activities necessary to prepare the qualifying asset for its intended use are considered to be complete

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

26. 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 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.

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(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.

27. 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.

28. Revenue

Revenue comprises the following:

- Rental income
- Boutique serviced office revenues
- Property management

Property management fees are levied in order to cover the costs of managing the property operationally, drafting contractual agreements, managing municipal accounts and all other elements of the property as defined in the agreement.

Rental income received in advance is recognised as a current liability as part of trade and other payables in the statement of financial position.

(a) Rental income

Contractual rental income from operating leases are recognised on a straight-line basis over the lease term taking into account fixed escalations. When the group provides incentives to its tenants, the lease incentives are recognised on a straight-line basis, as a reduction of rental income over the lease period. Surrender premiums are recognised as income in the period they become receivable from the tenant.

(b) Property management fees

Property management fees are recognised in the accounting period in which the services are rendered.

(c) Interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

Interest income on financial assets at amortised cost calculated using the effective interest rate method, is recognised in the statement of profit or loss as finance income.

Interest earned from financial assets that are held for cash management purposes, is recognised in the statement of profit or loss as finance income.

(d) Dividend income

Dividends are received from financial assets measured at fair value through profit or loss. Dividends are recognised as other operating income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment.

(e) 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.

29. 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.

30. 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.

31. 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;
- 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; and
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

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, expected vacancy rates, expected lease renewals, maintenance requirements and appropriate discount and capitalisation 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 34 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 11. 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 4.

d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined 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.

Details of the fair value calculation of derivatives are set out in note 20.

e) Distinguishing asset acquisitions from business combinations

Where the group obtains control of entities that own investment properties, or when the group acquires properties or a group of properties collectively, an evaluation is performed as to whether such acquisitions should be accounted for as business combinations or acquisitions in terms of IAS 40 Investment Properties. In applying the 'concentration test', an acquisition is not considered to be a business combination if at the date of the acquisition substantially all of the fair value of gross assets acquired is concentrated in a single asset (or a group of similar assets) The assets acquired in such a transaction would not represent a business

f) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

g) Lease term

Where the group recognises a lease liability and corresponding right-of-use asset, consideration is given around the extension options of the lease, in terms of IFRS 16. In determining the lease term, the group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). These include an assessment of the potential business disruption by not extending and the unrecoverable costs or penalties incurred to extend or terminate the lease. The group concluded that the lease liabilities and right-of-use assets are appropriately accounted for based on the lease term and that any significant changes or circumstances in the current year to this assessment have been accounted for.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		Machinery, equipment and vehicles	Property	Improvements to leasehold property	Total
1.	**Property, plant and equipment**				
1.1	£'000				
1.1.1	**Cost**				
	At 28 February 2019	16 940		17	16 957
	Additions	1 622			1 622
	Foreign currency translation differences	(367)			(367)
	Disposals and scrappings	(75)			(75)
	Transfer from investment property		3 526		3 526
	At 29 February 2020	18 120	3 526	17	21 663
1.1.2	**Accumulated depreciation**				
	At 28 February 2019	7 604		17	7 621
	Charge for the year	2 881			2 881
	Foreign currency translation differences	(97)			(97)
	Disposals and scrappings	(54)			(54)
	At 29 February 2020	10 334		17	10 351
1.1.3	Book value at 29 February 2020	7 786	3 526	–	11 312
1.2	£'000				
1.2.1	**Cost**				
	At 28 February 2018	16 351		17	16 368
	Additions	1 805			1 805
	Foreign currency translation differences	(640)			(640)
	Disposals and scrappings	(576)			(576)
	Transfer to assets held for distribution				
	At 28 February 2019	16 940		17	16 957
1.2.2	**Accumulated depreciation**				
	At 28 February 2018	5 201		17	5 218
	Charge for the year	2 742			2 742
	Foreign currency translation differences	(97)			(97)
	Disposals and scrappings	(242)			(242)
	At 28 February 2019	7 604		17	7 621
1.2.3	Book value at 28 February 2019	9 336	–	–	9 336

1.3 The property known as Central House comprising office premises, was transferred from investment property during the year as 40% of the office premises have been determined to be in use by the group during the current reporting period.

1.4 The group leases certain property, plant and equipment under operating leases, refer to note 31.3.

		GROUP	
		2020 £'000	2019 £'000
2.	**Investment properties**		
2.1	Investment properties at fair value for accounting purposes (excluding straight lining)	639 376	691 780
	Investment property under development	9 688	10 344
	Straight-lining lease income accrual	30 442	25 085
		679 506	727 209
2.2	**Movement in investment properties**		
	At beginning of year	727 209	841 647
	Additions	12 101	10 968
	Acquired through change in control of associate to subsidiary – refer note 2.13	1 789	4 253
	Capitalisation of borrowing costs – refer note 2.10	825	979
	Foreign currency translation differences	(37 552)	(69 223)
	Disposals	(12 296)	(52 890)
	Transfer to property, plant and equipment	(3 077)	
	Transfer to assets held for sale	(4 442)	(893)
	Straight line lease adjustment	7 670	9 683
	Net loss from fair value adjustments on investment property	(12 721)	(17 315)
	At end of year	679 506	727 209

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 34.9

2.3 **UK investment properties**

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

2.3.2 External valuers Avison Young who hold recognised and relevant professional qualifications, valued property located in England & Wales representing £19.7 million (2019: £nil) of the portfolio.

External valuers Duff & Phelps who hold recognised and relevant professional qualifications, valued property located in England & Wales representing £30.5 million (2019: £86 million) of the portfolio.

Development costs capitalised in 2020 represent £2.9 million (2019: £3.6 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 0% and 17% (2019: between 0% and 14%) and vacancy rates of between 0% and 100% (2019: between 0% and 100%).

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

2. Investment properties (continued)

2.4 Namibia investment properties

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

2.4.2 External valuer P.J. Scholtz, who holds recognised and relevant professional qualifications, valued property located throughout Namibia representing £30 million (2019: nil) of the portfolio.

Development costs capitalised in 2020 represent £0.3 million of the portfolio (2019: £7 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 6% and 7% (2019: yields between 8.50% and 10.25%) and vacancy rates of between 1% and 5% (2019: between 0% and 2.66%).

2.5 Africa excluding Namibia investment properties

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

2.5.2 There were no acquisitions in 2020 (2019: £nil).

External valuers JLL and Mills Fitchet, who hold recognised and relevant professional qualifications, valued property located in Mozambique representing £21 million (2019: nil) of the portfolio.

The remaining properties were valued based on sale agreements which are expected to be executed in the first quarter of the 2021 financial year.

The valuations were performed in accordance with a market value analysis based on rental yields of between 8.9575% and 9.62% (2019: yields between 8.99% and 10.16%) and vacancy rates of between 0% and 2.5% (2019: between 0% and 3%).

2.6 South Africa investment properties

2.6.1 A register containing details is available for inspection at the registered offices of Collins Property Projects (Pty) Limited.

2.6.2 External valuers Knight Frank (Gauteng) (Pty) Ltd, Roger O'Leary & Associates Incorporated, Urban Valuations Incorporated, Mills Fitchet Valuations (Pty) Ltd, and Swindon Property Services (Pty) Ltd, who hold recognised and relevant professional qualifications, valued property located throughout South Africa representing £150 million (2019: £145 million) of the portfolio.

New acquisitions and developments purchased in 2020 represent £9.3 million (ZAR186 million) of the portfolio (2019: £5 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 8% and 14% (2019: between 8.25% and 14%) and vacancy rates of between 0% and 50% (2019: between 0% and 2.04%)

		GROUP	
		2020 £'000	**2019 £'000**
2.7	Investment properties with a carrying amount that were vacant at year-end.	992	4 367
2.8	**Lessor accounting**		
	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 shorter than 1 year to 20 years (2019: 1 year to 67 years).		
	The investment properties are leased to tenants under operating leases with rentals payable monthly/quarterly. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the group may obtain bank guarantees for the term of the lease.		
	The group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.		
	The group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of IFRS 16.		
	Below sets out a maturity analysis of the undiscounted lease payments to be received after the reporting date:		
	Within 1 year	55 495	52 540
	Between 1 and 2 years	49 283	48 979
	Between 2 and 3 years	47 404	45 221
	Between 3 and 4 years	41 241	44 022
	Between 4 and 5 years	40 169	37 563
	Later than 5 years	191 600	345 388
		425 192	573 713

For the South Africa operations, the above is calculated after taking into account actual rent remissions granted as a result of the Covid-19 lockdown. There have been no changes to any of the larger industrial leases and payment on the vast majority has not been effected by Covid 19. Concessions granted to tenants vary depending on the tenants line of business. If the tenant has been able to trade the full rental has been called for and received.

Tenants who have not been able to trade have been negotiated with and rental has either been deferred or remitted. No lease terms have been changed as a result of Covid 19.

For the UK operations, to date 12 arrangements with tenants regarding rent collection have been agreed, these fall into the following 2 broad categories:
- agreement with tenants to pay monthly in advance (rather than quarterly)
- agreement with tenants to a period whereby a tenant can make reduced rental payments during the lockdown, with the deferred amounts being recoverable over an agreed period going forward.

In almost all cases any deferred rent will be recovered within 12 months, so management do not believe that there is any significant impact on the existing maturity analysis.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP	
		2020 £'000	2019 £'000
2.	**Investment properties (continued)**		
2.9	**Income and expenditure relating to investment properties**		
	Rental income	95 933	96 777
	Direct operating expenditure	1 628	9 858
	Direct operating expenses recognised in profit or loss relating to investment property that was unlet.	29	182
2.10	The borrowing costs were capitalised at the following rates, being the weighted average interest rate applicable to the entity's general borrowings during the year:		
	South Africa	between 9.25% and 13%	between 9.75% and 10.00%
	Namibia	between 10% and 10.25%	between 10% and 10.25%

2.11 We have assessed the impact of expected credit losses on the straight-lining lease income accrual. We deem the impact to be immaterial and any negative movements in the covenant would be reflected in the fair value of investment property.

2.12 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 34.9

2.13 Effective 1 August 2019, 100% ownership was acquired in Ifana Investments (Pty) Ltd and as a result the entity has become a subsidiary of the group. The entity engage in property rental within South Africa. The purchase consideration was settlement of loan claims; the consideration was settled on date of the transaction.

The entity does not represent a business as defined by IFRS 3 – business combinations, as substantially all of the fair value of the gross assets acquired is concentrated in a group of similar properties. This acquisition has been accounted for as an asset acquisition in line with the group accounting policies for such transactions.

3. Lease accounting – right of use assets and lease liabilities

This note provides information for leases where the group is a lessee. For leases where the group is a lessor, refer note 2.8

The group leases various offices under non-cancellable operating leases expiring within 2 years to 107 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms, escalation clauses, extension options and renewal rights. On renewal, the terms of the leases are renegotiated.

The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 March 2019 was 4.34% on property leased for the service office business and 3.95% for investment properties held on long leaseholds.

		GROUP	
		2020 £'000	2019 £'000
3.1	**Amounts recognised in the balance sheet**		
3.1.1	**Right-of-use assets**		
	Fair value – Buildings	49 021	–
	Movement in fair value		
	Adoption of IFRS 16	51 487	–
	Additions	6 810	–
	Disposals and scrappings	(3 475)	–
	Net loss from fair value adjustments on investment property	(5 801)	–
	Closing balance	49 021	–
3.1.2	**Lease liabilities**		
	Current	5 804	–
	Non-current	43 149	–
		48 953	–
	Movement in lease liabilities		
	Adoption of IFRS 16	51 487	–
	Additions	6 747	–
	Interest	2 208	–
	Repayments	(8 012)	–
	Disposals and scrappings	(3 475)	–
	Foreign currency translation movements	(2)	–
	Closing balance	48 953	–
3.2	**Amounts recognised in the statement of profit or loss**		
	Net loss from fair value adjustments on investment property		
	Buildings	5 801	–
	Interest expense (included in finance cost)	2 208	–
	Expense relating to variable lease payments not included in lease liabilities (included in lease expenses)	27	–
3.3	Total cash outflow for leases during the reporting period	(8 012)	–

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP	
		2020 £'000	**2019 £'000**
4.	**Intangible assets**		
	Goodwill – refer note 4.1	8 031	8 021
	Other intangible assets – refer note 4.2		59
		8 031	8 080
4.1	**Goodwill**		
	Cost	8 031	8 145
	Accumulated impairment losses	—	(124)
		8 031	8 021
4.1.1	**Cost**		
	Balance at beginning of year	8 145	9 052
	Acquisition	10	43
	Disposal		(720)
	Foreign currency translation movements	(124)	(230)
	Balance at end of year	8 031	8 145
4.1.2	**Accumulated impairment losses**		
	Balance at beginning of year	(124)	
	Impairment losses recognised in the year		(115)
	Foreign currency translation movements	124	(9)
		—	(124)

4.1.3 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 as the main geography, and the type of business is property. Goodwill is monitored by management at the operating segment level. The following is a summary of the goodwill allocation for each applicable operating segment:

2020	Opening	Additions	Impairment	Foreign currency translation movements	Disposals	Warranty settlement	Closing
UK property	8 021	10	—	—			8 031
Other	—						—
Total	8 021	10					8 031

2019	Opening	Additions	Impairment	Foreign currency translation movements	Disposals	Warranty settlement	Closing
UK property	8 010	11	—	—			8 021
Other	1 042	33	(115)	(240)	(720)		—
Total	9 052	44	(115)	(240)	(720)		8 021

Other comprises goodwill allocated to Namibia and rest of Africa.

4.1.3.1 The goodwill allocated to the UK property segment has been determined to be the serviced office business owned by subsidiaries held by the Group.

No impairment charge arose as a result of the impairment test (2019: nil). The recoverable amount of £8.03 million 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.

Management have reviewed expected (post Covid-19) future performance of The Boutique Workplace Co Ltd to assess the carrying value of goodwill. Management are satisfied that the carrying value of goodwill is supported by the cash flows shown by the post COVID 19 forecasts. The test assumed reduced profitability in the current year based on the latest rent collection experience. It also assumed no organic growth in the number of sites operated by the serviced office business. No impairment arose as a result of this test.

		GROUP	
		2020 **%**	**2019** **%**
	The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:		
	WACC	5.37%	5.90%
	Growth rate	4.50%	7.80%
	Sustainable growth rate	—	—
	The principal assumptions where impairment occurs are as follows:		
	WACC	16.02%	14.03%
	Growth rate	(6.30%)	(30.60%)
	Sustainable growth rate	—	—

Management have determined the values assigned to each of the above key assumptions as follows:
- **WACC** – this is determined as the weighted average cost of funds borrowed by the business internally and externally.
- **Growth rate** – detailed financial forecasts have been produced using realistic assumptions about the rate at which new locations are opened and the speed at which those new locations become profitable. These forecasts support a growth in EBITDA of 4.5% over the 5 year period of cash flows used to assess goodwill carrying value.
- **Sustainable growth rate** – cash flows beyond the five year period are assumed to be constant.

		2020	2019
4.2	**Other intangible assets**		
	Cost	1 518	1 518
	Accumulated amortisation	(1 518)	(1 459)
			59
4.2.1	**Cost**		
	Balance at beginning of year	1 518	1 518
	Movement		
	Balance at end of year	1 518	1 518
4.2.2	**Accumulated amortisation**		
	Balance at beginning of year	(1 459)	(1 196)
	Amortisation for the year	(59)	(263)
		(1 518)	(1 459)

Intangible assets comprise lease benefits acquired as part of the Ventia acquisition in the 2016 financial year, and represent the net present value of the favourable lease terms. The asset is amortised over the life of the beneficial leases.

The intangible assets were identified following on the finalisation of the Ventia purchase price allocation in the 2017 financial year.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		COMPANY 2020 R'000	COMPANY 2019 R'000
5.	**Investment in subsidiaries**		
5.1	**Shares in subsidiaries consisting of:**		
	Shares in Tradegro Holdings (Pty) Ltd at cost (100% held)	7 838	7 838
		7 838	7 838
5.2	**Loans to subsidiaries consisting of:**		
	Amount owing by Tradegro Holdings (Pty) Ltd (100% held)	2 859 463	2 932 860
	As part of a subordination agreement the company has deferred its right to claim payment of the amount owed by Tradegro Holdings (Pty) Ltd in favour of other creditors. The loan is unsecured and interest free with no fixed date of repayment, and has been classified as non-current.		
	Loan (from)/to subsidiary company – Tradegro S.àr.l (100% held)	1 132 050	1 158 791
	R1.113 million of the loan to Tradegro S.àr.l bears interest at a rate of 72% of 3 month ZAR JIBAR plus 3%, payable quarterly, with capital of R11.3 million repayable semi-annually, and the balance repayable on 20 December 2021. The balance of R18.3 million is interest free, unsecured and a direct foreign investment, with no fixed date of repayment, and has been classified as non-current.		
		3 991 513	4 091 650
	Non-current	3 968 817	4 071 222
	Current	22 696	20 428
		3 991 513	4 091 650

5.3 Credit risk management practices and impairment assessment

Management have performed an assessment of the recoverability of the loan to Tradegro S.àr.l. This assessment looked at the likelihood of a number of scenarios and the cash flows of each of those scenarios. These scenarios include a review of the 16 month post COVID-19 cash flow forecasts of the UK operations, which show that current debt can be serviced for the 16 months to 30 June 2021, and the post COVID-19 operating cash flow forecasts of Tradegro S.àr.l. The assessment does not show an impairment of the loan.

Loans due from subsidiaries at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider "low credit risk" for debt investments with subsidiaries to be when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as LIBOR interest rates affecting the ability of the borrower to repay its debt.

The loans have been determined fully recoverable, and the expected credit loss has been determined to be immaterial due to the following factors: repayments are funded monthly by rental generating properties; these repayments are backed by long term leases; the current and projected interest charge equates the forecast repayment each month.

		GROUP	
		2020 £'000	2019 £'000
6.	**Interests in joint venture**		
6.1	**Consisting of:**		
	Shares at cost plus attributable retained income	12 312	11 328
	Financial assets – loans due from joint ventures	16 376	18 371
		28 688	29 699
6.2	**Shares at cost plus attributable retained income**		
	At beginning of the year	11 328	865
	Reallocation/capitalisation loan accounts	2 125	8 190
	Share of profit	(1 141)	2 473
	Dividends received		(200)
	Carrying value	12 312	11 328
6.3	**Loans due from joint ventures and joint operations**		
	Inception (Reading) S.àr.l	18 311	16 446
	Moorgarth Group Ltd has provided an unsecured £14 000 000 loan to Inception (Reading) S.àr.l. Interest accrues daily at an annual rate of 3 month UK LIBOR + 7%, payable quarterly. The full capital amount is due for repayment on 28 May 2020 or later if agreed by all parties. It is management's intention to extend the repayment date by more than 12 months.		
	Mega Centre JV	1 608	1 925
	The loan is unsecured, and bears interest at Namibian prime when funded equally by both partners. When funded disproportionately the loan bears interest at Namibian prime plus 2% on this unequal portion. The loan is repayable on demand. There are no repayments expected within the next 12 months and therefore it has been classified as non-current.		
		19 919	18 371
	Less: Loss allowance	(3 543)	
		16 376	
6.4	**Movements in loans due from joint ventures**		
	Opening balance	18 371	26 218
	Loan advanced to joint ventures	700	588
	Interest	1 358	1 220
	Reallocation	(2 125)	(8 990)
	Loans repaid by joint ventures	(356)	(361)
	Loss allowance	(1 419)	
	Foreign currency translation differences and forex losses	(153)	(304)
	Closing balance	16 376	18 371

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

6. Interests in joint venture (continued)

6.5 Credit risk management practices and impairment assessment

Management have performed an assessment of the recoverability of the loan to Inception Reading S.àr.l. This assessment looked at the likelihood of a number of scenarios and the NPV of the cash flows of each of those scenarios. These scenarios include the sale of residential rights following the grant of planning permission by Reading Council on 4th March 2020 and the forward funded sale of the construction of a hotel on the site. Together with the ongoing operating cash flows of the business, the assessment does not show an impairment of the loan.

Loans due from joint ventures at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider "low credit risk" for debt investments with joint ventures to be when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as LIBOR interest rates affecting the ability of the borrower to repay its debt.

The loans have been determined fully recoverable, and the expected credit loss has been determined to be immaterial due to the following factors: repayments are funded monthly by a rental generating property in the Joint Venture; these repayments are backed by long term leases; the current and projected interest charge equates to less than the forecast repayment each month.

The property budgets have been used to project the income of the property which is distributed evenly to each partner.

There have been no changes in assumptions during the year.

Credit risk is mitigated by customer management and an affordability assessment which determines a customer's ability to repay an outstanding credit amount.

Credit risk has maintained the same level via the affordability test control.

6.6 Details of joint ventures

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

Name of company	Place of business/ country of incorporation	% ownership interest 2020	% ownership interest 2019	Carrying amount £'000 2020	Carrying amount £'000 2019
Inception (Reading) S.àr.l	UK/Luxembourg	50	50	—	(2 123)
Moolmoor Holdings Ltd	UK	50	50	7 739	8 542
Moolmoor Investments Ltd	UK	50	50	—	177
Moolmoor Waverley Ltd	UK	50	50	4 318	4 734
Reading Site Services Ltd	UK	50	50	—	(2)
Moolmoor Site Services Ltd	UK	50	50	255	—
				12 312	11 328

The joint ventures are private companies and there are no quoted market price available for their shares. Moolmoor Holdings Ltd owns 100% of the shares of Moolmoor Investments Ltd, Moolmoor Waverley Ltd and Moolmoor Site Services Ltd.

6.7 Commitments and contingent liabilities in respect of joint venture

There are no known capital commitments, or contingent liabilities for which the company is jointly or severally liable, in respect of any joint ventures

6.8 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.

Summarised financial information for the year ended 29 February 2020

£'000	GROUP Inception (Reading) S.àr.l	Moolmoor Holdings Ltd	Moolmoor Investments Ltd	Moolmoor Waverley Ltd	Reading Site Services Ltd	Moolmoor Site Services Ltd	Total
Current							
Cash and cash equivalents	590		428	813	36	9	1 876
Other current assets (excluding cash)	1 975		288	901	4	3	3 171
Total current assets	2 565		716	1 714	40	12	5 047
Financial liabilities (excluding trade payables)							
Other current liabilities (including trade payables)	(1 383)	(548)	(295)	(890)	(43)	(12)	(3 171)
Total current liabilities	(1 383)	(548)	(295)	(890)	(43)	(12)	(3 171)
Non-current							
Assets	73 083		14 044	35 268		510	122 905
Total non-current assets	73 083	—	14 044	35 268	—	510	122 905
Financial liabilities	(79 839)	18 590	(16 876)	(25 796)			(103 921)
Other liabilities	(613)		(59)	(1 479)			(2 151)
Total non-current liabilities	(80 452)	18 590	(16 935)	(27 275)	—	—	(106 072)
Net assets	(6 187)	18 042	(2 470)	8 817	(3)	510	18 709
Summarised statement of comprehensive income							
Revenue	4 593		1 276	2 242	204	161	8 476
Depreciation and amortisation	(37)			(3)			(40)
Interest income	(3 773)	1 077	(711)	(1 025)			(4 432)
Income expense	(1 817)	(3)	(244)	(868)	(204)	(161)	(3 297)
Revaluation deficit	(1 704)		(3 109)	(1 186)			(5 999)
Pre-tax profit from continuing operations	(2 738)	1 074	(2 788)	(840)	—	—	(5 292)
Income tax expense	(98)	(115)	(130)	7		510	174
Post-tax profit from continuing operations	(2 836)	959	(2 918)	(833)		510	(5 118)
Post-tax profit from discontinued operations							—
Other comprehensive income	168		(33)	(38)			97
Total comprehensive income	(2 668)	959	(2 951)	(871)		510	(5 021)
Dividends received from joint venture							—
Reconciliation to carrying value							
Opening net assets	(4 551)	17 083	374	9 507	(3)		22 410
Profit for the period	(2 837)	959	(2 917)	(833)		510	(5 118)
Other comprehensive income	168		(33)	(38)			97
Closing net assets	(7 220)	18 042	(2 576)	8 636	(3)	510	17 389
Interest in Joint venture @ 50%	(3 610)	9 021	(1 288)	4 318	(2)	255	8 694
Add back: loss	3 542	(1 282)	1 282		2		3 544
Add back: other comprehensive income	68		6				74
Carrying value	—	7 739	—	4 318	—	255	12 312

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.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

6. Interests in joint venture (continued)

6.8 Summarised financial information per joint venture entity (continued)

Summarised financial information for the year ended 28 February 2019

	GROUP						
£'000	Inception (Reading) S.àr.l	Moolmoor Holdings Ltd	Moolmoor Investments Ltd	Moolmoor Waverley Ltd	Reading Site Services Ltd	Moolmoor Site Services Ltd	Total
Current							
Cash and cash equivalents	1 093		455	684	98	20	2 350
Other current assets (excluding cash)	1 850		314	768	2	2	2 936
Total current assets	2 943		769	1 452	100	22	5 286
Financial liabilities (excluding trade payables)	(886)		(315)	(450)	(94)	(1)	(1 746)
Other current liabilities (including trade payables)	(267)	(81)	(25)	(314)	(9)	(22)	(717)
Total current liabilities	(1 153)	(81)	(340)	(764)	(103)	(22)	(2 463)
Non-current							
Assets	70 379	17 164	17 012	35 553			140 108
Total non-current assets	70 379	17 164	17 012	35 553	—	—	140 108
Financial liabilities	(76 278)		(17 030)	(25 267)			(118 575)
Other liabilities	(442)		(37)	(1 467)			(1 946)
Total non-current liabilities	(76 720)		(17 067)	(26 734)	—	—	(120 521)
Net assets	(4 551)	17 083	374	9 507	(3)	—	22 410
Summarised statement of comprehensive income							
Revenue	4 633		1 296	2 222	210	92	8 453
Depreciation and amortisation	(31)			(3)			(34)
Interest income	5	1 032	6	9			1 052
Income expense	(5 475)	(17)	(1 013)	3 629	(210)	(92)	(3 179)
Pre-tax profit from continuing operations	(869)	1 015	289	5 857	—	—	6 294
Income tax expense	(206)	(139)	(138)	(865)	—		(1 348)
Post-tax profit from continuing operations	(1 075)	876	151	4 992	—	—	4 944
Post-tax profit from discontinued operations							—
Other comprehensive income	125	16 130	(180)	(43)			16 033
Total comprehensive income	(949)	17 006	(29)	4 949	—		20 977
Dividends received from joint venture		200					200
Reconciliation to carrying value							
Opening net assets	(3 602)	77	403	4 558	(3)		1 433
Profit for the period	(1 075)	876	151	4 992	—		4 944
Other comprehensive income	126	16 130	(180)	(43)			16 032
Closing net assets	(4 551)	17 083	374	9 507	(3)	—	22 410
Interest in Joint venture @ 50%	(2 276)	8 542	187	4 754	(2)		11 205
Add back: other comprehensive income	153		(10)	(19)			123
Carrying value	(2 123)	8 542	177	4 734	(2)	—	11 328

6.9 Details of joint operation

Name of joint operation	Place of business/ country of incorporation	% ownership interest 2020	% ownership interest 2019	Value of net assets £'000 2020	Value of net assets £'000 2019
Mega Centre JV	Namibia	50	50	5 873	5 468

6.9.1 Summarised financial information for the joint operation

	GROUP 2020	GROUP 2019
Summarised balance sheet as at 29 February		
Current		
Cash and cash equivalents	68	71
Other current assets (excluding cash)	46	181
Total current assets	114	252
Financial liabilities (excluding trade payables)	(6 433)	(7 698)
Other current liabilities (including trade payables)	(152)	(153)
Total current liabilities	(6 586)	(7 852)
Non-current		
Assets	12 345	13 068
	12 345	13 068
Financial liabilities	—	—
Other liabilities	—	—
Total non-current liabilities	—	
Net assets	5 873	5 468
Summarised statement of comprehensive income for the year ended 29 February		
Revenue	1 747	1 767
Depreciation and amortisation	—	—
Interest income	9	15
Income expense	(893)	(1 234)
Pre-tax profit from continuing operations	863	548
Income tax expense	—	—
Post-tax profit from continuing operations	863	548
Post-tax profit from discontinued operations	—	—
Other comprehensive income	—	—
Total comprehensive income	863	548
Dividends received from joint venture	—	—

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP	
		2020 £'000	2019 £'000
7.	**Interests in associates**		
7.1	**Consisting of:**		
	Shares at cost plus attributable retained income	504	543
	Financial assets – loans due from associates	5 578	6 488
		6 082	7 031
7.2	**Shares at cost plus attributable retained income**		
	At beginning of the year	543	674
	Share of profit	—	13
	Disposals		(47)
	Reclassified subsidiary due to change in control	—	(12)
	Foreign currency translation differences	(39)	(85)
		504	543
7.3	**Loans due from/(to) associates**		
	Steps Towers Property Investments	4 447	4 552
	The above unsecured loan accrues interest at the Namibian prime rate plus 2% . There are no set terms of repayment.		
	Afrisaf Investment Holdings (Pty) Ltd	1 552	2 066
	The above unsecured loan accrues interest at the South African prime rate. There are no set terms of repayment.		
	Ifana Investments (Pty) Ltd – reclassified as subsidiary due to change in control	—	314
		5 999	6 932
	Less: Loss allowance	(421)	(444)
		5 578	6 488
7.4	**Movements in loans due from/(to) associates**		
	Opening balance	6 488	8 484
	Reclassified due to change in control	(632)	(1 444)
	Loan advanced to associates	601	461
	Interest and other fees	208	870
	Loans repaid by associates	(208)	(367)
	Loss allowance	(421)	(444)
	Foreign currency translation differences and forex losses	(458)	(1 072)
	Closing balance	5 578	6 488

7.5 **Credit risk management practices and impairment assessment**

Steps Towers is a partner (50%) in Steps JV, the JV pays a pro-rata profit share to all partners. The profit share is used to service the mortgage bond held in Steps Towers. If there is insufficient profit share available, shareholders of the respective partners will be requested to provide funding. Step JV also have 3 unrealised sites with a constructed superbasement, which once developed with yield greater partner payments and value.

Loans due from associates at amortised cost are considered to have low credit risk, and the impairment assessment was therefore limited to 12 months expected losses. Management consider "low credit risk" for debt investments with associates to be when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as prime interest rates affecting the ability of the borrower to repay its debts.

The above loans receivable and investments are assessed bi-annually for credit losses on a company by company basis.

There have been no changes in the measurement of expected credit losses during the year. The outstanding debts at year end have not been affected by any of the Covid 19 rental remissions, and all the assumptions in the ECL calculations still stand true.

The only above loan that has been impaired is Afrisaf Investment Holdings (Pty) Ltd.

The expected credit loss has been determined to be immaterial on all the loans, with the exception of Afrisaf Investment Holdings (Pty) Ltd, as the loans are backed by under development investment property assets where the value exceeds the loan balance, or the assets are expected to generate sufficient cash flow to cover the repayment of loan and return on investment.

7.6 **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	% ownership interest 2020	% ownership interest 2019	Carrying amount 2020	Carrying amount 2019
Steps Towers Property Investments (Pty) Ltd	Namibia	50.0	50.0	449	484
Dunes Lifestyle Property (Pty) Ltd	Namibia	25.0	25.0	—	—
Afrisaf Investment Holdings (Pty) Ltd	Namibia	50.0	50.0	55	59
Greenstone Resorts (Pty) Ltd	Namibia	20.0	20.0	—	—
Ifana Investments (Pty) Ltd	South Africa	—	50.0	—	—
				504	543

The carrying value of the associates are shown net of impairment losses.

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

Ifana Investments (Pty) Ltd

The investment in Ifana Investments (Pty) Ltd was reclassified as a subsidiary during the year due to a change in control. On 1 August 2019 the property under development commenced trading, and full direct, operational control of the underlying investment property and related liabilities was obtained. As such all assets and liabilities previously shown as part of the investment in associate, were transferred into their component assets and liabilities forming part of the Group's statement of financial position and statement of other comprehensive income.

Steps Towers Property Investments (Pty) Ltd

Currently there is no contractual arrangement that outlines control of the above entity. The investments has been equity accounted as control is deemed to be with the other shareholder.

Afrisaf Investment Holdings (Pty) Ltd

Currently there is no contractual arrangement that outlines control of the above entity. The investments has been equity accounted as control is deemed to be with the other shareholder.

7.7 **Contingent liabilities in respect of associates:**

There are no known contingent liabilities in respect of any associates for which the company is jointly or severally liable

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

7. Interests in associates (continued)

7.8 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	Steps Towers Property Investments (Pty) Ltd	
	2020	**2019**
Summarised balance sheet		
Current		
Cash and cash equivalents	35	60
Other current assets (excluding cash)	9 217	9 497
Total current assets	9 252	9 557
Financial liabilities (excluding trade payables)	(8 405)	(8 821)
Other current liabilities (including trade payables)	—	(1 039)
Total current liabilities	(8 405)	(9 860)
Non-current		
Assets	4 917	5 215
Deferred tax	134	
	5 051	5 215
Financial liabilities	(5 205)	(4 750)
Deferred tax		
Total non-current liabilities	(5 205)	(4 750)
Net assets/(liabilities)	693	163
Summarised statement of comprehensive income		
Revenue		
Depreciation and amortisation		
Interest income	976	993
Operating expenses	(537)	(2 392)
Income expense		
Pre-tax profit from continuing operations	439	(1 399)
Income tax expense	72	116
Post-tax profit from continuing operations	511	(1 283)
Post-tax profit from discontinued operations		
Other comprehensive income		
Total comprehensive income	511	(1 283)
Dividends received from associate		
Reconciliation to carrying value		
Opening net assets	968	1 104
Profit for the period		
Transfer to assets held for distribution		
Foreign exchange differences	(70)	(136)
Closing net assets	898	968
Interest in associates	449	484
Goodwill		
Carrying value	449	484

COMPANY				GROUP	
2019 R'000	2020 R'000			2020 £'000	2019 £'000
		7.9	**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.		
			Aggregate carrying amount of individually immaterial associates	55	59
			Aggregate amounts of the group's share of – Profit/(loss) from continuing operations	433	(6 235)
			Total comprehensive income	433	(6 235)
		8.	**Loans receivable**		
		8.1	**Consisting of:**		
–	28 949		Loans and receivables with key persons – refer note 8.3	2 304	2 298
			Loan to U Reit Collins (Pty) Ltd – refer note 8.4	17 425	–
			Loans and receivables – refer note 8.5	262	8 344
–	28 949			19 991	10 642
			Non-current	18 285	9 770
			Current	1 706	872
				19 991	10 642
		8.2	**Movement in loans receivable**		
			Opening balance	10 642	3 132
			Loans granted	18	580
			Advance to UREIT iro sale proceeds due – refer note 8.4	18 181	
			Interest	1 782	599
			Repayments	(9 064)	(846)
			Reallocation	133	7 470
			Loss allowance	(5)	(7)
			Foreign currency translation differences	(1 696)	(286)
			Closing balance	19 991	10 642

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP	
		2020 £'000	2019 £'000
8.	**Loans receivable (continued)**		
8.3	**Loan receivables from key persons – current and non-current**		
	AS Trust (FH Esterhuyse) – shares	1 445	1 465
	Eastwick Road Ltd (D Wheble) – 10% of The Boutique Workplace Company Ltd	859	833
		2 304	2 298

On 15 April 2014 a loan was granted to F Esterhuyse to buy 1 664 490 shares of the company. The share issue price was R12 (£0.68) per share at the date of the transaction.

Interest is charged at 61.43% of Standard Bank Prime rate and is to be repaid from distributions.

The loan is secured by cession and pledge of 3 065 063 shares in the company, and 3 300 000 shares in Mettle Investments Ltd and is considered a full recourse loan. The loan is repayable on 20 June 2020.

On 16 November 2017 a loan of £800 000 was granted to D Wheble for the purchase of 10% of the equity of The Boutique Workplace Company Ltd.

Interest is charged at 2.5% above LIBOR and is payable from distributions.

The loan is secured by cession and pledge of personal assets and is considered a full recourse loan. The loan is repayable on the tenth anniversary of the grant date.

		2020 £'000	2019 £'000
8.4	**Loan receivable from U Reit Collins (Pty) Ltd**	17 425	–

On 24 May 2019 a loan was granted to U Reit Collins (Pty) Ltd to partially fund the purchase of a 25.7% interest in the ordinary shares of Collins Property Projects (Pty) Ltd.

Interest is charged at South African prime interest rate less 0.50% .

The loan and interest payable are secured by cession of 608 140 shares in Collins Property Projects (Pty) Ltd acquired/held by the borrower, as well as a guarantee from I-Group Financial Holdings (Pty) Ltd – refer note 17.1

The loan is repayable on the earlier of Collins Property Projects (Pty) Ltd listing as a REIT or 1 June 2024.

		2020 £'000	2019 £'000
8.5	**Other loan receivables**		
	Loan to Reward Investments (No2) Ltd	–	7 472
	Loans to Collins South Africa sellers – current	–	454
	Africol Namibia – current	–	152
	Other – current	262	266
		262	8 344

Reward Investments (No2) Ltd is a former subsidiary, of which 90% was disposed during the previous financial year.

The unsecured loan accrued interest at 3 month LIBOR plus 6% and was settled in full during the year.

The other loans mainly comprise advances to property development partners in Africa and Namibia. The loans are unsecured, bear no interest and are repayable on demand.

8.6 **Credit risk management practices and impairment assessment**

Management have performed an assessment of the recoverability of the loan to the AS Trust. This assessment looked at the likelihood of a reduction in the trading share price of the listed securities securing the loan as a result of the impact of COVID-19 on the operations of the listed entities. The loan is repayable via dividends the AS Trust might receive from the company and also secured via a pledge of a portfolio of listed shares. The assessment does not show an impairment of the loan.

Management have reviewed expected (post COVID-19) future performance of The Boutique Workplace Company Ltd as part of its assessment of the carrying value of goodwill of that business. It is satisfied that the carrying value of goodwill is supported by the cash flows shown by the post COVID 19 forecasts, and also thus the recoverability of the loan from Eastwick Road Ltd. The loan is repayable via dividends Eastwick Road Ltd might receive from The Boutique Workplace Company Ltd and also secured via personal guarantees from an individual with significant assets. The assessment is that there is no impairment of the loan.

Loans due from key persons and related parties at amortised cost are considered to have low credit risk, and the impairment assessment was therefore limited to 12 months expected losses. Management consider "low credit risk" for loans receivable to be when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, or the receivables are secured by assets with values that exceed the loan balance.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as LIBOR and Prime interest rates affecting the ability of the borrower to repay its debts.

All above receivable loans are assessed bi-annually for credit losses on a company by company basis.

When expected credit losses are found the loans are impaired immediately. Therefore no expected credit loss is raised, an impairment is raised.

There have been no changes in the measurement of expected credit losses during the year. The outstanding debts at year end have not been affected by any of the COVID 19 rental remissions, and all the assumptions in the ECL calculations still stand true.

The expected credit loss has been determined to be immaterial on all the loans, as the loans are backed by secured assets where the value exceeds the loan balance, or the borrower is expected to generate sufficient cash flow to cover the repayment of loan and return on investment.

		GROUP	
		2020 £'000	2019 £'000
9.	**Deferred taxation**		
	Deferred taxation assets	9 135	11 811
	Deferred taxation liabilities	(44 615)	(43 616)
	Net deferred taxation	(35 480)	(31 805)
9.1	**Deferred taxation assets**		
	Comprising temporary differences attributable to:		
	Tax losses carried forward	6 511	9 607
	Property, plant and equipment	1 249	1 347
	Deferred revenue	35	26
	Doubtful debts	86	76
	Financial assets at fair value through profit or loss	345	45
	Other provisions and liabilities	909	710
		9 135	11 811

Significant estimates

The deferred tax assets include an amount of £4.3 million which relates to the carried forward tax losses of Imbali Props 21 (Pty) Ltd, Saddle Path Props 69 (Pty) Ltd and their subsidiaries. The subsidiaries have incurred losses relating to the letting of immovable property.

The deferred tax assets include an amount of £1.1million which relates to the carried forward tax losses of various Africa investment property owning subsidiaries.

The group has concluded that the deferred tax asset will be recoverable using the estimated future taxable income based on the approved budgets for the subsidiary. The subsidiary is expected to generate taxable income from 2019 onwards. The losses can be carried forward indefinitely and have no expiry date.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP 2020 £'000	GROUP 2019 £'000
9.	**Deferred taxation (continued)**		
9.2	**Movement in deferred taxation assets**		
	Balance at beginning of the year	11 811	11 678
	Income tax charge – refer note 28.2	352	1 334
	Increase in tax losses available for set-off against future taxable income	(1 549)	(117)
	On acquisition/(disposal) of subsidiaries		
	Adjustment on adoption of IFRS 16	(1 084)	
	Other		67
	Functional currency translation differences – recognised through other comprehensive income	(395)	(1 151)
	Balance at end of the year	9 135	11 811
9.3	**Deferred taxation liabilities**		
	Comprising temporary differences attributable to:		
	Provisions and accruals	(284)	
	Investment property	(43 119)	(42 010)
	Lease straight-lining	(514)	(128)
	Property, plant and equipment	(378)	(1 417)
	Prepayments	(19)	(12)
	Assets held for sale	(301)	(49)
	Disposal of subsidiary		
		(44 615)	(43 616)
9.4	**Movement in deferred taxation liabilities**		
	Balance at beginning of the year	(43 616)	(52 313)
	Income tax charge – refer note 28.2	(5 390)	(1 511)
	On acquisition/(disposal) of subsidiaries	54	4 537
	Adjustment on adoption of IFRS 16	1 084	
	Functional currency translation differences – recognised through other comprehensive income	3 384	5 671
	Other	(131)	
	Balance at end of the year	(44 615)	(43 616)
9.5	**Portion of deferred tax asset to be realised within twelve months**	35	31
9.6	**Unutilised assessed losses at the beginning of the year**	1 424	9 943
	Losses incurred during the year	1 888	6 427
	Utilised during the year	(31)	(4 289)
	Foreign currency translation movements	246	(1 050)
	Unutilised assessed losses at the end of the year	3 527	11 031
	Assessed losses applied in the provision for deferred tax	(3 231)	(9 607)
	Assessed losses to be applied in reduction of future taxable income	296	1 424
10.	**Financial assets at fair value through profit and loss**		
10.1	**Consisting of:**		
	Investment in DV4 Ltd	4 638	4 882
	Investment in Mettle Investments Ltd	—	27
	Investment in Capricon Corporate Fund	53	53
	Investment in Reward Investments (No.2) Ltd	3 006	2 586
	Financial assets at fair value through profit or loss	7 697	7 548

The assets were valued using an income based approach to determine the fair value. Management's intention is to sell these assets within 12 months.

		GROUP	
		2020 £'000	2019 £'000
10.1.1	24 977 508 (2019: 24 987 502) A Shares in DV4 Ltd designated at fair value through profit or loss; nil (2019: 585 532) ordinary shares in Mettle Investments Limited designated at fair value through profit or loss; Shares in Capricorn Corporate Fund Class B: 1 060 365 units		
	At beginning of year	4 962	5 886
	(Disposal)/acquisition	(41)	80
	Fair value gain/(loss)	589	191
	Foreign currency translation differences	(7)	
	Distribution received (return of capital)	(812)	(1 195)
	At end of year	4 691	4 962
10.1.2	10% (2019: 10%) Ordinary Shares in Reward Investments (No.2) Ltd designated at fair value through profit or loss Reclassified upon disposal of 90% of subsidiary as part of an unbundling transaction in the previous financial year.	3 006	2 586
10.2	As significant judgement was exercised by management in determining the fair value using inputs that are based on unobservable market data, the investments were classified as a Level 3 financial asset for the year ended 29 February 2020 – refer note 34.9		
10.3	**Analysis of total financial assets:**		
	Non-current	–	–
	Current	7 697	7 548
		7 697	7 548
11.	**Net assets held for sale**		
11.1	**Consisting of:**		
	Investment property held for sale – refer note 11.2	4 507	893
11.2	Three properties, known as Bougainvilla Road, Lincoln Road and 68 Gillitts Road were subject to an unconditional sale but not disposed of at February 2020 for R90 million, and each property has been valued at its selling price at reporting date.		
12.	**Trade and other receivables**		
	Trade receivables – refer note 12.1	2 197	1 269
	Other receivables – refer note 12.2	4 917	6 695
		7 114	7 964
12.1	**Trade receivables in respect of:**		
	Outstanding rent	2 726	1 811
	Less: Loss allowance	(529)	(542)
		2 197	1 269
12.2	**Other receivables**		
	Proceeds due on sale of South Africa investment property	699	1 615
	Service charge receivables		1 216
	Indirect taxes receivable	3 462	3 567
	Development costs receivable from partner	516	
	Other receivables	620	665
		5 297	7 063
	Less: Loss allowance	(380)	(368)
	Indirect taxes receivable	(380)	(368)
		4 917	6 695

The carrying value less impairment provision of trade and other receivables are approximately their fair values.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

	GROUP 2020 £'000	GROUP 2019 £'000
12. Trade and other receivables (continued)		
12.3 Analysis of total trade and other receivables		
Non-current		
Current	7 114	7 964
	7 114	7 964

12.4 Credit risk management practices and impairment assessment

The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as CPI for inflation linked rental escalations affecting the ability of the debtor to repay its debts.

Expected credit losses for Trade Receivables are assessed as follow:
Monthly – Arrear meetings are held monthly to monitor tenant payments. Tenants who are late paying/defaulting are noted and appropriate action is taken is terms of recovery.
Bi-Annually – Outstanding debtors are listed by outstanding balance and every tenant individually is looked at in terms of the past history at the monthly meetings. An assessment is then given to each tenant by management on which an expected credit loss is then raised on the portion of the debt that management consider may not be recovered.

There have been no changes in the method of credit loss calculation for the year.

Credit risk is mitigated by customer management and an affordability assessment and creditworthy checks with reputable bureaus which determines a customers ability to repay an outstanding credit amount. These are conducted before a potential lease agreement is signed. If there is any doubt to the tenants ability to afford the contract then they are turned away.

The expected credit loss rate at inception of the contract is immaterial as only tenants who pass the affordability test are entered into agreement with.

On that basis, the loss allowance was determined as follows for trade and other receivables:

29 February 2020	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate %	1%	31%	31%	19%	11%
Gross carrying amount – trade receivables	1 603	412	149	562	2 726
Gross carrying amount – other receivables	2 281			3 016	5 297
Loss allowance	45	127	47	690	909

28 February 2019	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate %	1%	7%	69%	22%	10%
Gross carrying amount – trade receivables	896	342	114	459	1 811
Gross carrying amount – other receivables	4 068			2 994	7 062
Loss allowance	42	24	78	765	910

	GROUP 2020 £'000	GROUP 2019 £'000
The closing loss allowances for trade and other receivables reconciles to the opening loss allowance as follows:		
Opening loss allowance	910	160
Increase in loss allowance recognised in profit or loss during the year	316	943
Receivables written off during the year as uncollectible	(293)	(195)
Unused amount reversed	(29)	
Foreign currency translation differences	5	2
Closing loss allowance	909	910

Impairment losses on trade and other receivables are presented as net impairment losses on a separate line in profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

12.5 The ageing of trade receivables are as follows:

	2020 £'000	2019 £'000
Neither past due nor impaired	845	240
30 days	408	428
60 days	56	30
Past due but not impaired		
30 days past due	368	385
60 days past due	238	31
90 days past due	100	182
More than 90 days past due	711	515
Impaired	(529)	(542)
Total gross balance	2 197	1 269

12.6 Credit quality of trade receivables (net of provisions)

Trade receivables without external credit rating:

	2020 £'000	2019 £'000
Group 1	203	5
Group 2	1 973	931
Group 3	21	333
	2 197	1 269

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

12.7 The carrying amount of trade and other receivables are denominated in the following currencies:

	2020 £'000	2019 £'000
Pound Sterling	1 062	2 305
South African Rand	1 360	2 060
United States Dollar	3 809	2 702
Namibian Dollar	832	897
Other – Swiss franc/Euro	51	—
	7 114	7 964

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY 2019 R'000	COMPANY 2020 R'000			GROUP 2020 £'000	GROUP 2019 £'000
		13.	**Other assets**		
			Lease incentives	5 025	3 401
			Insurance proceeds receivable	4 800	—
			Rent-free prepayments	1 306	2 126
			Prepayments	422	2 864
			Rent prepayments		1 712
			Rental deposits	3 492	4 243
			Loan arrangement fees and deferred finance charges	1 288	2 977
				16 333	17 323
		13.1	**Analysis of total other assets**		
			Non-current assets	8 896	858
			Current assets	7 437	16 465
				16 333	17 323
		13.2	The carrying amount of other current assets are denominated in the following currencies:		
			Pound Sterling	15 273	15 556
			South African Rand	988	1 640
			United States Dollar	31	85
			Namibian Dollar	41	42
				16 333	17 323
		14.	**Cash and cash equivalents**		
		14.1	**Consisting of:**		
1 808	544		Cash at bank and on hand	16 469	10 684
			Short term bank deposits	6 413	1 935
			Cash as security for borrowings	613	277
1 808	544			23 495	12 896
			Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
1 808	544		Cash and cash equivalents	23 495	12 896
—	—		Bank overdrafts		(638)
1 808	544			23 495	12 258
		14.2	Carrying amount of cash and cash equivalents are denominated in the following currencies:		
2	2		Pound Sterling	10 937	5 733
1 564	298		South African Rand	8 557	2 815
			United States Dollar	3 420	1 351
			Namibian Dollar	212	127
			Zambian Kwacha	314	694
			Mozambique New Metical		1 088
242	244		Other (Euro/Swiss Franc)	55	450
1 808	544			23 495	12 258
		15.	**Ordinary share capital**		
		15.1	**Authorised:**		
	—		310 000 000 (2019: 310 000 000) ordinary shares of no par value	—	

COMPANY 2019 R'000	COMPANY 2020 R'000			GROUP 2020 £'000	GROUP 2019 £'000
		15.2	**Issued:**		
3 097 001	3 057 710		261 346 570 (2019: 253 220 966) ordinary shares of no par value	217 803	220 392
			Share premium		
3 097 001	3 057 710			217 803	220 392
		15.3	**Reconciliation of number of shares issued:**		
247 174 375	253 220 966		Balance at beginning of the year	253 220 966	247 174 375
	(76 061)		Share buy-back: Odd Lot Offer and Specific Offer	(76 061)	–
6 046 591	8 201 665		New issue – dividend reinvestment (DRIP)	8 201 665	6 046 591
253 220 966	261 346 570		Balance at end of the year	261 346 570	253 220 966
		15.4	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.		
		16.	**Other equity and reserves**		
		16.1	**Treasury shares**		
			Opening balance	1 402	124
			Repurchased during the year	703	1 278
			Closing balance	2 105	1 402
			The company acquired 1 158 962 (2019: 1 709 660) of its own shares through purchases on the JSE by its wholly owned subsidiary, Imbali Props 21 (Pty) Limited during the year, and now holds a total of 2 955 853 own shares. The total amount paid to acquire the shares was £0.7 million (R13 million) and has been deducted from shareholders's equity.		
		16.2	**Non-distributable reserve**	(17 610)	(5 568)
			Foreign currency translation reserve	(18 047)	(5 646)
			Cash flow hedging reserve – refer note 16.4	(234)	77
			Revaluation reserve	634	
			Capital redemption reserve fund	37	1
		16.3	**Distributable reserve**		
(129 820)	(141 177)		(Accumulated loss)/retained earnings	82 474	72 337
(129 820)	(141 177)		Total reserve	64 864	66 769
			During the year a dividend of £7.4 million (2019: £6.9 million) was declared and paid out of share premium as approved by the board of directors. The Rand equivalent of this declaration was R139 229 698 (2019: R123 587 188). Dividends of £5.5 million (2019: £4.9 million) were subsequently re-invested by shareholders under dividend reinvestment options exercised. The Rand equivalent of the reinvestment was R100 800 629 (2019: R88 767 707).		
		16.4	**Cash flow hedging reserve**		
			Balance at beginning of the year	77	(184)
			Other comprehensive income for the year	(311)	261
				(234)	77

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

17. Non-controlling interest

Name of entity	Place of business	Ownership interest held by non-controlling interest 2020	2019	GROUP 2020 £'000	GROUP 2019 £'000
The Boutique Workplace Company Ltd	United Kingdom	10.0%	10.0%	43	9
Collins Property Projects (Pty) Ltd	South Africa	25.7%	—	41 391	—
Dimopoint (Pty) Ltd	South Africa	30.0%	30.0%	11 021	10 130
Applemint 24 (Pty) Ltd	South Africa	0.0%	31.1%	392	432
Atterbury Matola Mauritius Limited	Mozambique	25.0%	25.0%	386	281
TC Mozambique Properties Ltd	Mozambique	25.0%	25.0%	(658)	(324)
Atterbury Pemba Properties Limited	Mozambique	25.0%	25.0%	(1 098)	(881)
Other Tradehold Africa group subsidiaries	Mozambique	25.0%	25.0%	(8)	(122)
Other Collins South Africa group subsidiaries	South Africa	10% – 40%	10% – 40%	(66)	346
				51 403	9 871

17.1 Transactions with non-controlling interests

Disposal of share in subsidiary without loss of control

On 24 May 2019, I Group Financial Holdings (Pty) Ltd invested R833 million (£45.5 million) directly into the group's portfolio of South African property assets, by subscribing for an effective 25.7% holding of the ordinary shares in Collins Property Projects (Pty) Ltd. The rationale for the investment was to improve cash flow and reduce gearing levels in the Collins group. The consideration of R833 million was settled in cash of R500 million (£25.6 million after costs), and the balance of R333 million by means of an interest-bearing vendor loan. The total shares subscribed for by I Group have been ceded to Collins Property Projects (Pty) Ltd as security for the vendor loan – refer note 8.4

The effect on the equity attributable to owners during the year is as follows:	2020 £'000
Carrying amount of non-controlling interests disposed of	41 145
Consideration received from non-controlling interests	(45 481)
Excess of consideration received recognised in the transactions with non-controlling interests reserve within equity	(4 336)

17.2 Summarised information on subsidiaries with material non-controlling interests.

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

	Collins Property Projects (Pty) Ltd		Dimopoint (Pty) Ltd		The Boutique Workplace Company Ltd	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Summarised balance sheet						
Current						
Assets	16 258	10 998	5 722	1 207	4 640	7 989
Liabilities	(21 270)	(6 804)	(2 603)	(1 985)	(6 911)	(9 781)
Total current net assets	(5 012)	4 194	3 119	(778)	(2 271)	(1 792)
Non-current						
Assets	478 579	485 097	76 688	84 494	60 810	16 030
Liabilities	(303 858)	(447 264)	(47 661)	(51 139)	(58 110)	(14 145)
Total non-current net assets	174 721	37 833	29 027	33 355	2 700	1 885
Net assets	169 709	42 027	32 146	32 576	429	93
Summarised income statement						
Revenue	52 523	53 962	10 043	10 811	23 505	21 403
Profit/(loss) before taxation	23 958	13 414	3 965	4 713	(682)	(1 313)
Taxation	(6 211)	(937)	(1 879)	(487)	(38)	158
Other comprehensive income/(loss)	–	–		–		
Total comprehensive income/(loss)	17 747	12 477	2 086	4 226	(720)	(1 155)
Total comprehensive income/(loss) allocated to non-controlling interests	4 691	930	626	979	49	(115)
Distributions paid to non-controlling partners	(1 081)	(145)	–	(145)	–	
Summarised cash flows						
Net cash (used in)/generated from operating activities	10 576	9 933	2 324	884	1 125	1 562
Net cash (used in)/generated from investing activities	(3 318)	(1 285)	(404)	4 593	(1 208)	(1 478)
Net cash (used in)/generated from financing activities	(1 352)	(8 363)	(783)	(5 607)	1 240	140
Net decrease in cash and cash equivalents	5 906	285	1 137	(130)	1 157	224
Cash and cash equivalents at beginning of the year	2 165	2 147	968	1 248	1 811	1 587
Effect of changes in exchange rate	(158)	(267)	(71)	(150)	–	–
Cash and cash equivalents at end of the year	7 913	2 165	2 034	968	2 968	1 811

The amounts shown above are before inter-company eliminations.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY 2019 R'000	COMPANY 2020 R'000		GROUP 2020 £'000	GROUP 2019 £'000
		18. Preference share liability		
		18.1 Authorised:		
		131 750 000 (2019: 131 750 000) non-convertible, non-participating, non-transferable redeemable preference shares of no par value		
		65 000 000 (2019: 65 000 000) cumulative, redeemable "A" preference shares of no par value		
		40 000 000 (2019: 40 000 000) "B" unspecified preference shares of no par value		
		18.2 Issued:		
1 049	1 083	108 243 720 (2019: 104 878 282) non-convertible, non-participating, non-transferable redeemable preference shares of no par value – Titan Global Investments (Pty) Ltd – refer note 18.3	55	56
1 130 065	1 110 855	1 096 204 (2019: 1 116 632) cumulative redeemable "B" preference shares of R1 000 each – issued to FirstRand Bank Ltd acting through its Rand Merchant Bank division – refer note 18.4 & 34.9	55 435	60 823
1 131 114	1 111 938		55 490	60 879

18.3 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.

COMPANY				GROUP	
2019 R'000	2020 R'000			2020 £'000	2019 £'000
		18.4	The 1 096 204 cumulative redeemable "B" preference shares were issued to FirstRand Bank Ltd acting through its Rand Merchant Bank division and listed on the JSE on 18 December 2018.		
			Dividends are calculated quarterly at a rate of 72% of 3 month ZAR JIBAR plus 3% and payable quarterly. Capital of approximately 1% of the subscription amount is likely to be redeemed semi-annually, with the remaining balance redeemable on 20 December 2021.		
1 146 885	1 130 065		Balance at beginning of the year	60 823	70 488
(18 158)	(20 428)		(Repaid)/drawn during the year	(1 096)	(1 017)
—	—		Foreign exchange movement	(4 358)	(8 724)
1 617	1 617		Deferred finance charges	87	91
91 014	89 037		Interest accrued	4 777	5 099
(91 293)	(89 436)		Interest paid	(4 798)	(5 114)
1 130 065	1 110 855		Balance at end of the year	55 435	60 823
20 428	22 696		Short term portion (likely to be redeemed on 15 June 2020 and 15 December 2020)	1 133	1 099

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 20.

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

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP	
		2020 £'000	2019 £'000
19.	**Long-term borrowings**		
19.1	**Consisting of:**		
	Financial liabilities at amortised cost – non-current portion	346 542	401 101

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.

		2020 £'000	2019 £'000
19.1.1	**HSBC loan (The Boutique Workplace Company Limited) – secured**		
	Balance at beginning of the year	5 464	6 107
	Drawn during the year	1 880	–
	Repaid during the year	(919)	(885)
	Interest	256	242
	Balance at end of the year	6 681	5 464

On 1 December 2015 The Boutique Workplace Company Limited (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l) entered into a 5 year term loan facility of £6 400 000 to finance the acquisition of Ventia Group Limited and subsidiaries, a Serviced Office operator in London. The loan was refinanced on 23 September 2019 and the capital is repayable in quarterly instalments of £160 000, and the balance on 23 September 2024.

Interest is calculated daily at an annual rate of 3.5% + 3 month UK LIBOR and payable quarterly.

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

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		2020 £'000	2019 £'000
19.1.2	**Canada Life**		
	Balance at beginning of the year	32 344	32 730
	Drawn during the year	362	106
	Repaid during the year	(1 697)	(1 697)
	Interest	1 188	1 205
	Balance at end of the year	32 197	32 344

On 19 October 2017 Moorgarth Property (Luxembourg) S.àr.l, Wandle Point Management Ltd, Inception Living S.àr.l and Moorgarth Maple Limited entered into a loan facility of £35 712 000 with Canada Life. £32 736 000 of the 10 year facility was utilised to refinance the borrowers' loans with HSBC.

Interest on the loan facility is fixed at 3.41% per annum over the term of the loan and is payable quarterly. Capital repayments are also made on a quarterly basis in line with a schedule to the facility agreement. During the term of the facility £5 712 000 of capital is repaid and the remaining capital balance of £30 000 000 is repayable on 18 October 2027.

The loan is wholly secured by a fixed charge over all property and assets owned by the borrowers.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		GROUP	
		2020 £'000	2019 £'000
19.1.3	**Shandon Investments Ltd – unsecured**		
	Balance at beginning of the year	151	149
	Repaid during the year	(6)	(3)
	Interest	6	5
	Balance at end of the year	151	151

On 1 July 2015 Wandle Point Management Ltd entered into a 6 year loan facility of £150 000 with Shandon Investments Limited, 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.

The loan is unsecured.

		2020 £'000	2019 £'000
19.1.4	**HSBC (Moorgarth Living Ltd) – secured**		
	Balance at beginning of the year	9 744	6 977
	Drawn during the year		2 760
	Repaid during the year	(301)	(187)
	Interest	336	194
	Balance at end of the year	9 779	9 744

On 12 September 2018 Moorgarth Living Ltd (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l) entered into a 5 year loan facility of £9 720 000 with HSBC, to fund the acquisition and refurbishment of a commercial property, 71-73 Carter Lane, London.

Interest is calculated daily at an annual rate of 2.10% + 3 month LIBOR and payable quarterly, with capital payable quarterly after 2 years at 1% per annum, and the balance in October 2023.

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

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		2020 £'000	2019 £'000
19.1.5	**HSBC (Moorgarth Euston Ltd)**		
	Balance at beginning of the year	8 582	8 574
	Drawn during the year	11 640	—
	Repaid during the year	(8 853)	(224)
	Interest	310	232
	Balance at end of the year	11 679	8 582

On 17 October 2017 the group entered into a 5 year loan facility of £9 460 000 with HSBC, to fund the acquisition of a commercial property known as Connolly Works, 41-43 Chalton Street, London, which was extended by 2 years in March 2019.

Interest is calculated daily at an annual rate of 2.10% + 3 month LIBOR and payable quarterly, with capital payable quarterly after 2 years at 1% per annum, and the balance in March 2024.

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

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP	
		2020 £'000	2019 £'000
19.	**Long-term borrowings (continued)**		
19.1	Consisting of (continued):		
19.1.6	**Standard Bank – secured**		
	Balance at beginning of the year	4 974	25 938
	Repaid during the year	(720)	(22 829)
	Interest	399	815
	Foreign currency translation differences	165	1 050
	Balance at end of the year	4 818	4 974

On 11 September 2017 Pemba Investment Company Limitada drew down on an USD 11 000 000 facility with Standard Bank for the development of a shopping mall in Pemba, Mozambique. Interest is calculated at an annual rate of Libor + 5.5% and is repayable quarterly, with the full outstanding capital due to be settled in March 2023.

The loan is secured by a corporate guarantee of USD 11 million provided by Tradegro S.àr.l.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		2020 £'000	2019 £'000
19.1.7	**Mauritius Commercial Bank – secured**		
	Balance at beginning of the year	35	94
	Repaid during the year	(37)	(80)
	Interest	—	19
	Foreign currency translation differences	2	2
	Balance at end of the year	—	35

The loan was settled on 30 March 2019.

		2020 £'000	2019 £'000
19.1.8	**First National Bank South Africa – secured**		
	Balance at beginning of the year	4 314	4 219
	Repaid during the year	(988)	(310)
	Interest	342	235
	Foreign currency translation differences	143	170
	Balance at end of the year	3 811	4 314

On 7 September 2016 Atterbury Matola Limitada entered into a 5 year term loan of up to USD 6 000 000 to purchase a property in Maputo.

Interest is calculated daily at an annual fixed rate of 7.756847% LIB01 NACM on USD 5.5 million and an annual fixed rate of 8.226% LIB01 NACM on the balance and payable monthly, with the final outstanding capital amount of USD 3.57 million to be settled at the end of the 5 year term, in September 2021.

The loan is secured by corporate guarantees provided by group entities.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		GROUP	
		2020 £'000	2019 £'000
19.1.9	**Nedbank South Africa – secured**		
	Balance at beginning of the year	18 288	22 200
	Repaid during the year	(2 547)	(3 012)
	Interest	1 742	1 934
	Foreign currency translation differences	(1 454)	(2 834)
	Balance at end of the year	16 029	18 288

Interest is calculated daily at an annual rate of South African Prime less 0.25% and payable monthly.

Capital of N$29.5 million is payable within 12 months and the remaining balance in similar annual instalments, with a final repayment date of 13 April 2026.

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.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		2020 £'000	2019 £'000
19.1.10	**Investec Bank Ltd – secured**		
	Balance at beginning of the year	5 679	—
	Acquired through change in control	—	3 464
	Drawn during the year	436	2 027
	Repaid during the year	(540)	(134)
	Interest	583	336
	Foreign currency translation differences	(454)	(14)
	Balance at end of the year	5 704	5 679

Interest is calculated daily at an annual rate of South African Prime and is payable monthly. The final repayment date is 10 March 2021

The loan is wholly secured by the investment property in Gobabis, Namibia.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		2020 £'000	2019 £'000
19.1.11	**Nedbank South Africa**		
	Balance at beginning of the year	221 100	265 466
	Acquired through change in control	1 599	—
	Drawn during the year	30 735	49 831
	Repaid during the year	(53 823)	(86 522)
	Interest	24 288	26 351
	Foreign currency translation differences	(17 797)	(34 026)
	Balance at end of the year	206 102	221 100

Interest is calculated monthly across multiple facilities at rates from the South African prime rate less 0.5% to the South African prime rate plus 3.25%. In addition certain facilities are at fixed rates ranging from 9.05% to 11.79%. All interest is payable monthly.

Capital of ZAR59 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment dates ranging from 3 August 2020 to 3 December 2029.

The liability is wholly secured by:
- the investment properties within South Africa; and
- an additional 25% is pledged to cover Nedbank's costs, expenses and disbursements over investment property secured, and
- execution of limited joint and several suretyships and guarantees from Tradegro Holdings (Pty) Ltd.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

	GROUP 2020 £'000	GROUP 2019 £'000
19. Long-term borrowings (continued)		
19.1 Consisting of (continued):		
19.1.12 Nedbank South Africa preference shares		
Balance at beginning of the year	8 789	10 036
Transferred to short term borrowings – refer note 23.5	(8 149)	–
Repaid during the year		(849)
Interest		884
Foreign currency translation differences	(640)	(1 282)
Balance at end of the year	–	8 789
19.1.13 Investec Bank Limited South Africa		
Balance at beginning of the year	69 219	65 708
Drawn during the year	6 893	16 545
Repaid during the year	(39 732)	(10 872)
Interest	4 746	6 250
Foreign currency translation differences	(5 372)	(8 412)
Balance at end of the year	35 754	69 219

Interest is calculated monthly across multiple facilities at rates varying from the South African prime rate less 0.5% less to the South African prime rate, and at fixed rates of 10.40%. All interest is payable monthly.

Capital of ZAR0.5 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment dates ranging from 1 March 2022 to 11 May 2026.

The loans are wholly secured by:
- investment properties within South Africa,
- plant and equipment within South Africa,
- execution of limited joint and several suretyships and guarantees from Tradegro Holdings (Pty) Ltd.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

	GROUP 2020 £'000	GROUP 2019 £'000
19.1.14 Sanlam South Africa		
Balance at beginning of the year	3 003	3 726
Repaid during the year	(559)	(556)
Interest	267	307
Foreign currency translation differences	(238)	(474)
Balance at end of the year	2 473	3 003

Interest is calculated monthly at a fixed rate of 9.41% and payable monthly.

Capital of ZAR7.8 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment date on 1 September 2023.

The loan is wholly secured by:
- investment property within South Africa, and
- a cession of all contractual rental income derived from insurance policies and VAT refunds in respect of investment property secured.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		GROUP	
		2020 £'000	2019 £'000
19.1.15	**Absa Bank South Africa**		
	Balance at beginning of the year	37	50
	Repaid during the year	(10)	(11)
	Interest	3	4
	Foreign currency translation differences	(3)	(6)
	Balance at end of the year	27	37

Interest is calculated monthly at the South African prime rate less 1% and payable monthly.

The loan is wholly secured by the investment property within South Africa, and the capital is repayable on 1 April 2023.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		2020 £'000	2019 £'000
19.1.16	**Rand Merchant Bank South Africa**		
	Balance at beginning of the year	19 215	30 007
	Drawn during the year	2 725	27 083
	Repaid during the year	(2 525)	(36 922)
	Interest	2 122	2 889
	Foreign currency translation differences	(1 548)	(3 842)
	Balance at end of the year	19 989	19 215

Interest is calculated at a monthly rate varying from South African prime to prime plus 0.5%, and all interest is payable monthly.

The capital is repayable on 5 February 2022.

The loan is wholly secured by:
- investment property within South Africa,
- execution of limited joint and several suretyships and guarantees from Tradegro Holdings (Pty) Ltd, in favour of Rand Merchant Bank, and
- cession of all benefits, right, title and interest in and to the insurance policy, any rental agreement and sale agreement concluded in respect of the mortgage property.

The entity has complied with the financial covenants of its borrowing facilities during the 2020 and 2019 reporting period.

		2020 £'000	2019 £'000
19.2	The group has access to the following undrawn borrowing facilities at the end of the reporting period:		
	Expiring beyond one year:		
	Canada Life	2 515	2 871
	Investec Bank Ltd	14 422	
		16 937	2 871
19.3	Analysis of long-term borrowings:		
	Non-current	346 542	401 101
	Current – refer note 23.1	7 031	9 838
		353 573	410 939

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

20. Derivative financial instruments

20.1 Consisting of:

	GROUP 2020 £'000	GROUP 2019 £'000
Designated as a cash flow hedge – refer note 20.2	374	60
Fair value through profit and loss – held for trading – refer note 20.3	5 900	2 236
Fair value through profit and loss – held for trading – refer note 20.4	(12 928)	(8 286)
	(6 654)	(5 990)

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. They are presented as non-current assets or liabilities to the extent they are expected to be settled in more than 12 months after the end of the reporting period. The group's accounting policy for its cash flow hedges is set out in Accounting policies note 20. Further information about the derivatives used by the group is provided below.

20.2 HSBC – secured

	GROUP 2020 £'000	GROUP 2019 £'000
Market to market value of interest rate swap	374	60
Balance at beginning of the year	60	224
Mark-to-market adjustments – recognised through other comprehensive income	314	(164)
Balance at end of the year	374	60

On 21 January 2019 Moorgarth Living Ltd entered into an interest rate swap, whereby the interest rate on a loan amount of £5 300 000 was fixed. HSBC performed a mark to market valuation at 29 February 2020 which showed a potential loss of £177 662. The swap matures on 20 October 2023.

On 23 April 2019 Moorgarth Euston Ltd entered into an interest rate swap, whereby the interest rate on a loan amount of £5 700 000 was fixed. HSBC performed a mark to market valuation at 29 February 2020 which showed a potential loss of £195 843. The swap matures on 22 March 2024.

The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.

Hedge ineffectiveness for interest rate swaps may occur due to:
- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during 2020 or 2019 in relation to the interest rate swaps.

		GROUP	
		2020 £'000	**2019 £'000**
20.3	**Rand Merchant Bank GBP ZAR cross currency interest rate swap**		
	Fair value at end of the year – refer note 34.9	5 900	2 236
	Balance at beginning of the year	2 236	(5 847)
	Interest	(3 014)	(3 624)
	Settled in cash during the year	3 219	3 642
	Fair value adjustment through profit and loss	3 459	8 065
	Balance at end of the year	5 900	2 236

The cross currency interest rate swap was entered into with Rand Merchant Bank on 18 December 2017, whereby the Rand listed B 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 + 3%] payable in Rand on the Rand amount of the listed preference shares was exchanged for an interest rate of [three month GBP LIBOR + 1.66%], payable in GBP on the notional GBP liability, resulting in a capital value of the liability of £62 968 000 and a total cost of funds of [GBP LIBOR + 1.66%] .

Rand Merchant Bank performed a mark to market valuation at year end, which shows a potential loss of £5 900 397 on the swap, resulting from the aggregate of the ZAR depreciation against the £ since the inception date (with the profit reflected in the preference share liability), and the margin earned by Rand Merchant Bank on the derivative.

The swap is unsecured.

		2020 £'000	2019 £'000
20.4	**Nedbank/Rand Merchant Bank CPI hedge**		
	Fair value at end of the year – refer note 34.9	12 928	8 286
	Balance at beginning of the year	8 286	—
	Fair value adjustment through profit and loss	5 639	8 571
	Foreign currency translation differences	(998)	(285)
	Balance at end of the year	12 927	8 286

A Nedbank CPI hedge for bond number 30150281 which hedges CPI against a fixed bond escalation of 6.32%. This hedge was valued by Nedbank Ltd.

A Rand Merchant Bank CPI hedge for facility number 4155 which hedges CPI against a fixed bond escalation of 7.41%. This hedge was valued by Rand Merchant Bank Ltd.

The derivative is a hedge of the CPI linked annual lease escalations on the investment property lease with Nampak. The hedge swaps the variable escalations on the lease to a fixed escalation over the 15 year lease period.

The swap is secured by the same security disclosed respectively under notes 19.1.11 & 19.1.16

		2020 £'000	2019 £'000
20.5	**Analysis of derivative financial instruments:**		
	Non-current	(6 654)	(5 990)
	Current	—	—
		(6 654)	(5 990)

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.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY 2019 R'000	COMPANY 2020 R'000			GROUP 2020 £'000	GROUP 2019 £'000
		21.	**Deferred revenue**		
		21.1	**Consisting of:**		
			Rent received in advance	6 683	6 335
		21.2	**Movements in deferred revenue**		
			Opening balance	6 335	10 669
			Additions	6 685	6 363
			Transferred to profit or loss	(6 369)	(5 601)
			Disposal of subsidiary		(5 371)
			Foreign currency translation differences and forex losses	32	275
			Closing balance	6 683	6 335
		22.	**Trade and other payables**		
			Trade payables	2 102	2 965
5 201	2 571		Other payables and accrued expenses	6 294	11 096
			Dilapidations provision	3 220	1 156
			Deposits held	2 878	2 780
			Lease guarantee liability	191	155
			Financial guarantee contracts		38
			Deferred income	1 276	5
			Social security and other taxes	1 281	1 255
5 201	2 571			17 241	19 450
			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.		
		22.1	The carrying amount of trade and other payables are denominated in the following currencies:		
			Pound Sterling	6 280	10 824
4 404	1 507		South African Rand	6 969	6 070
			United States Dollar	3 509	2 111
			Namibian dollar	323	280
797	1 064		Other – Swiss franc/Euro/Zambian Kwacha/Botswana Pula	160	165
5 201	2 571			17 241	19 450

		GROUP	
		2020 £'000	2019 £'000
23.	**Short-term borrowings**		
23.1	**Consisting of:**		
	Short term portion of long-term loans – refer note 19.3	7 031	9 838
	RMB £ bridge loan – refer note 23.2	—	14 000
	Demashuwa Property Developers (Pty) Limited – refer note 23.3	1 608	1 925
	Nedbank Ltd – refer note 23.4	1 447	760
	Nedbank South Africa preference shares – refer note 23.5	8 149	—
	Springlea Limited – refer note 23.6	4 013	—
	Other – secured and unsecured	588	597
		22 836	27 120
23.2	**RMB £ bridge loan**		
	Balance at beginning of the year	14 000	30 147
	Interest	607	1 142
	Repaid during the year	(14 607)	(17 289)
	Balance at end of the year	—	14 000

The loan carried interest at 1 month Libor +4.75%. The loan was secured by a guarantee from various entities in the Titan group of companies. The loan was fully repaid during the year.

		GROUP 2020 £'000	GROUP 2019 £'000
23.3	**Demashuwa Property Developers (Pty) Limited**		
	Balance at beginning of the year	1 925	2 370
	Interest	193	219
	Repaid during the year	(356)	(361)
	Foreign currency translation differences	(154)	(303)
	Balance at end of the year	1 608	1 925

Demashuwa Property Developers (Pty) Ltd is the 50% joint venture partner in Steps JV.
The loan carries interest at the Namibian prime rate, is unsecured and has no terms of repayment.

		GROUP 2020 £'000	GROUP 2019 £'000
23.4	**Nedbank Ltd – secured**		
	Balance at beginning of the year	760	—
	Interest	798	1 211
	Repaid during the year		(403)
	Foreign currency translation differences	(111)	(48)
	Balance at end of the year	1 447	760

The long term borrowings of Dimopoint (Pty) Ltd accrue additional interest charges due to the down grading of its tenant credit rating. Such additional interest is charged to this short term borrowing that is repayable to Nedbank from the sale proceeds of properties owned by Dimopoint (Pty) Ltd.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

23. Short-term borrowings (continued)

23.5 Nedbank South Africa preference shares

	GROUP 2020 £'000	GROUP 2019 £'000
Balance at beginning of the year	—	
Reallocated from long term borrowings	8 149	
Interest	848	
Repaid during the year	(788)	
Foreign currency translation differences	(60)	
Balance at end of the year	8 149	

Comprises 9286 "A" and 7049 "B" cumulative, redeemable preference shares of no par value issued by Imbali Props 21 (Pty) Ltd to Nedbank Limited, both having a scheduled redemption date of 31st of August 2020.

The dividend rate is equal to 104% and 85% of the South African Prime rate for during the applicable period for preference share "A" and "B" respectively Dividends are paid monthly on the 5th calendar day of the month.

The liability is wholly secured by:
- a loan facility with Nedbank equal to the maximum principal amount of preference share A,
- certain investment properties within South Africa,
- execution of limited joint and several suretyships and guarantees from Tradegro Holdings (Pty) Ltd limited to ZAR39 million, and
- execution of limited joint and several suretyships and guarantees from Tradegro Holdings (Pty) Ltd, in favour of Nedbank, over preference shares "B".

23.6 Springlea Limited

	GROUP 2020 £'000	GROUP 2019 £'000
Balance at beginning of the year	—	—
Drawn during the year	6 000	
Interest	121	
Repaid during the year	(2 108)	
Balance at end of the year	4 013	

On 30 October 2019 Moorgarth Group Ltd entered into a 12 month term loan facility of £6 000 000 with Springlea Ltd for the purpose of funding working capital.

Interest is calculated daily at an annual rate of 6.15% + 1 month LIBOR and payable monthly, with capital repayable at any time and the final balance on 30 October 2020.

The loan is unsecured.

	GROUP	
	2020 £'000	2019 £'000

24. Revenue

	2020 £'000	2019 £'000
Rental income		
Industrial	49 864	51 045
Retail	16 424	16 886
Offices	4 616	5 453
Leisure	902	1 319
Residential	681	731
Boutique serviced office revenues	23 445	21 343
Total rental income	95 932	96 777
Property management	1 046	1 048
Deduct: rental income from group companies	(2 370)	(1 387)
Revenue from external customers	94 608	96 438

Timing of revenue recognition	2020 At a point in time	2020 Over time	2020 Total	2019 At a point in time	2019 Over time	2019 Total
Rental income		62 422	62 422		64 911	64 911
Rental income – straightline leases		7 695	7 695		9 136	9 136
Boutique serviced office revenues		23 445	23 445		21 343	21 343
Property management	1 046		1 046	1 048		1 048
	1 046	93 562	94 608	1 048	95 390	96 438

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY				GROUP	
2019 R'000	2020 R'000			2020 £'000	2019 £'000
		25.	**Other operating income**		
			Management fees received from associates	411	397
			Insurance proceeds – St Catherines Perth fire	5 176	–
			Distribution received on financial assets	15	147
			Sundry income	2 403	1 331
–	–			8 005	1 875
		26.	**Operating profit/(loss)**		
		26.1	**Determined after taking into account the following:**		
44	44		Employee benefits expenses	6 980	6 586
44	44		Salaries, wages and service benefits	6 975	6 581
			Retirement benefit contributions	5	5
			Net foreign exchange losses	71	1 673
5 597	3 860		Foreign exchange rate losses – realised	223	539
			Foreign exchange rate losses – unrealised	30	1 134
			Foreign exchange rate profits – unrealised		
			Foreign exchange rate profits – realised	(181)	
1 592	1 584		Auditors' remuneration	355	472
1 200	1 344		Audit fees – for this year	343	450
392	240		– under provided in the previous year	13	22
2 847	4 071		Fees paid for outside services	693	586
1 060	2 163		Administrative	439	556
236			Accounting fees	(3)	124
6	173		Secretarial	37	37
1 545	1 736		Management and director	220	(131)
			Net impairment losses on financial assets relating to:	2 115	910
			Loss allowance on trade receivables	259	542
			Loss allowance on other receivables	11	6
			Loss allowance on loans receivable	5	7
			Loss allowance on loans to associates	421	355
			Loss allowance on loans to joint venture	1 419	–
103	180		Operating leases – buildings	27	7 536
			Loss/(profit) on disposal of investment properties	1 419	(1 369)
			Gain on disposal and scrapping of property, plant and equipment	–	(11)
729	389		Travel and office costs	624	643
			Advertising cost	309	555
			Repairs and maintenance	1 483	1 698
			Boutique operating costs	7 613	6 336
10 158	60		Professional and letting fees	821	917
			Legal and professional fees	772	1 551
			Unrecovered rates	1 899	205
			Unrecovered property costs	532	3 125
			Unrecovered service charge	3 153	1 714

			GROUP 2020 £'000	GROUP 2019 £'000
26.2	**Directors' and prescribed officers remuneration**			
26.2.1	Non-executive directors		140	169
	Executive directors		1 020	1 043
	Prescribed officers		529	401
			1 689	1 613

		Management company fees £'000	Fees £'000	2020 Total £'000	2019 Total £'000
26.2.2	**Non-executive directors**				
	KR Collins	21	22	43	70
	LL Porter	—	17	17	15
	MJ Roberts	—	12	12	11
	HRW Troskie	—	26	26	29
	CH Wiese	—	42	42	44
		21	119	140	169

		Basic remuneration £'000	Variable remuneration £'000	2020 Total £'000	2019 Total £'000
26.2.3	**Executive directors**				
	FH Esterhuyse	154	93	247	235
	DA Harrop	100	13	113	174
	KL Nordier	217	62	279	286
	TA Vaughan	313	68	381	348
		784	236	1 020	1 043
	Prescribed officers				
	KA Searle	144	101	245	186
	D Coleman	70		70	—
	SH Meekers	90	124	214	215
		304	225	529	401

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

26. Operating profit/(loss) (continued)

26.2 Directors' and prescribed officers remuneration (continued)

26.2.4 Basic remuneration for 2020 comprises the following:

	Salary £'000	Pension scheme contributions £'000	Other £'000	Total £'000
Executive directors				
FH Esterhuyse	127	14	13	154
DA Harrop	88	8	4	100
KL Nordier	208	6	3	217
TA Vaughan	292	11	10	313
	715	39	30	784
Prescribed officers				
KA Searle	127	15	2	144
D Coleman	62	7	1	70
SH Meekers	79	9	2	90
	268	31	5	304

26.2.5 Variable remuneration for 2020 comprises the following:

	Bonuses and performance related payments £'000	Leave pay £'000	Total £'000
Executive directors			
FH Esterhuyse	93		93
DA Harrop	13		13
KL Nordier	62		62
TA Vaughan	68		68
	236		236
Prescribed officers			
KA Searle	101		101
D Coleman			
SH Meekers	116	8	124
	217	8	225

26.2.6 Share options granted to directors and prescribed officers during the year are as follows:

FH Esterhuyse 219 600 options
KL Nordier 203 633 options
KA Searle 203 633 options
D Coleman 280 000 options
Refer note 36.1

COMPANY 2019 R'000	COMPANY 2020 R'000			GROUP 2020 £'000	GROUP 2019 £'000
		27.	**Finance income and cost**		
96	—		Finance cost on short-term borrowings	2 459	4 656
			Finance cost on long-term borrowings	36 670	40 182
			Interest paid to related parties	—	194
91 014	89 037		Dividends on preference shares classified as debt	4 777	5 099
			Interest expense on lease liabilities	2 208	—
1 617	1 617		Deferred finance charge	922	570
			Other finance cost	211	540
92 727	90 654		Finance cost expensed	47 247	51 241
			Amount capitalised	825	979
92 727	90 654		Total finance cost	48 072	52 220
(89)	(110)		Interest income on short-term bank deposits	(411)	(270)
			Interest received from UReit	(1 246)	
(91 014)	(89 037)		Interest received from related parties	(78)	(7)
			Interest received from joint ventures	(1 358)	(1 307)
			Interest received from associates	(208)	(995)
			Finance charge received on derivative	(3 691)	(4 377)
(3 534)	(1 449)		Other finance income	(671)	(1 019)
(94 637)	(90 596)		Total finance income	(7 663)	(7 975)
(1 910)	58		Finance cost – net	40 409	44 245

The capitalised long term borrowings costs of £825 000 (2019: £979 000) have been capitalised to investment property.

		GROUP 2020 £'000	GROUP 2019 £'000
28.	**Taxation**		
28.1	**Classification**		
	South African normal taxation	6 280	937
	Foreign taxation	962	(273)
		7 242	664
28.2	**Consisting of**		
	Current taxation on profits for the year	1 142	(176)
	Over provision in prior periods	(487)	(79)
	Total current tax expense	655	(255)
	Deferred income tax – refer note 9.4	6 587	919
	(Increase)/decrease in deferred tax assets	1 197	(592)
	Increase/(decrease) in deferred tax liabilities	5 390	1 511
		7 242	664

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY 2019 %	COMPANY 2020 %			GROUP 2020 %	GROUP 2020 £'000	GROUP 2019 %	GROUP 2019 £'000
		28.	**Taxation (continued)**				
		28.3	Reconciliation of tax payable at normal rate to income tax expense:				
28	28		South African normal tax rate/tax expense	28.0%	4 873	28.0%	3 975
(28)	(28)		Tax effect of amounts which are not deductible/(taxable) in calculating taxable income	13.6%	2 369	(23.3%)	(3 311)
			Fair value adjustment on investment property tax rate differential	11.5%	1 995	10.9%	1 551
			Utilisation of tax losses not previously recognised to reduce deferred tax expense	14.2%	2 469	(1.7%)	(243)
			Utilisation of tax losses not previously recognised to reduce current tax expense	0%	6	0.1%	12
			Exempt income – goodwill adjustment	0%		(1.2%)	(174)
			Non-deductible expenses – loss on disposal of investment property	5.9%	1 028		
			Non-deductible expenses – amortisation of intangibles	0%		0.4%	50
19	(35)		Other non-deductible expenses	5.0%	876	4.7%	669
			Exempt income – lease smoothing	(1.4%)	(245)	(2.3%)	(327)
			Exempt income – dividends received	(14.1%)	(2 447)	(0.8%)	(110)
			Exempt income – fair value of hedge/investments	(10.6%)	(1 845)	(17.0%)	(2 415)
(54)			Exempt income – gain on disposal of subsidiary	0%		(3.3%)	(466)
			Exempt income – earnings from joint ventures/associates	2.8%	486	(3.0%)	(432)
			Other exempt income	(0.9%)	(152)	(2.1%)	(298)
			Foreign wealth tax/withholding tax	1.1%	200	0.1%	13
7	7		Foreign tax rate differential	(0.4%)	(68)	(3.2%)	(461)
			Adjustments for current tax of prior periods	0.4%	66	(4.9%)	(680)
–	–		Effective tax rate/Income tax expense	41.6%	7 242	4.7%	664
		28.4	**Tax losses**				
			Unused tax losses for which no deferred tax asset has been recognised		1 490		59
			Potential tax benefit at 28.0%		417		16

	GROUP			
	2020 £'000	2020 £'000	2019 £'000	2019 £'000

29. 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.

		2020 £'000	2020 £'000	2019 £'000	2019 £'000
29.1	**Profit attributable to ordinary equity holders**		5 985		13 212
29.1.1	Weighted average number of ordinary shares in issue ('000)		256 344		250 140
	The weighted average number of ordinary shares in issue in the current year has been adjusted to take into account the 1 158 962 treasury shares acquired during the year, the 8 201 665 additional shares issued as a result of the dividend reinvestment option, and the 76 061 shares repurchased during the year under the oddlot offer. The weighted average effect of the adjustments on the number of shares in issue is 2 046 423.				
	Basic earnings per share (pence) attributable to ordinary equity holders		2.3		5.3
29.1.2	Diluted number of ordinary shares ('000)		257 881		250 519
	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)		256 344		250 140
	Share options granted in current year under employee share option scheme allocation– refer note 36.1		1 537		379
			257 881		250 519
	Diluted earnings per share (pence) attributable to ordinary equity holders		2.3		5.2
29.2	**Headline earnings:**				
	Basic headline earnings per share (pence)		9.5		8.0
	Diluted headline earnings par share (pence)		9.4		8.0

	Gross	Net	Gross	Net
Based on headline profit of		24 314		19 956
Profit attributable to equity holders of the company		5 985		13 212
Net loss from fair value adjustment on investment property	18 522	14 426	17 315	13 493
Fair value adjustments from equity-accounted investments		2 004		(2 519)
Loss/(gain) on disposal of investment properties	1 419	1 740	(1 369)	(1 275)
Loss/(gain) on disposal of subsidiaries		100		(3 107)
Loss on disposal of investments		—		48
Impairment of intangible assets		59		115
Gain on disposal of property, plant and equipment		—		(11)
and the weighted average number of ordinary shares in issue of ('000)		256 344		250 140
and the diluted number of ordinary shares ('000)		257 881		250 519

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY 2019 R'000	COMPANY 2020 R'000			GROUP 2020 £'000	GROUP 2019 £'000
		30.	**Cash flow information**		
		30.1	**Non-cash items**		
			Depreciation charge on property, plant and equipment	2 881	2 742
			Amortisation	59	263
			Insurance proceeds St Catherines Perth fire	(4 800)	
			Loss/(profit) on disposal of investment properties	1 419	(1 369)
			Loss/(profit) on disposal of property, plant and equipment	–	(11)
			Fair value adjustment on right-of-use assets	5 801	
			Fair value adjustment on investment properties	12 721	17 315
			Fair value gain on financial assets at fair value through profit or loss	(6 645)	(8 773)
			Straight line lease adjustment	(7 607)	(9 136)
			Impairment of goodwill		115
			Impairment losses on financial assets	2 116	988
			Provision/(reversal of provision) for share-based payment expense	36	(76)
(61 910)	–		Loss/(profit) on disposal of investments	99	(3 059)
(61 910)	–			6 080	(1 001)
		30.2	**Changes in working capital**		
–	–		Trade and other receivables	164	4 731
(5 167)	(2 630)		Trade and other payables	(2 841)	(11 778)
(5 167)	(2 630)			(2 677)	(7 047)
		30.3	**Taxation refund/(paid)**		
			Taxation per profit or loss	(7 242)	(664)
			Taxation payable at beginning of year	(250)	28
			Taxation (receivable)/payable at end of year	1 136	251
			Change in deferred taxation	6 587	919
				231	534
		30.4	**Proceeds from ordinary share issues**		
88 768	100 801		Ordinary share issues during the year – dividend reinvestment options exercised	5 526	4 879
88 768	100 801			5 526	4 879

30.5 Reconciliation of liabilities arising from financing activities

GROUP

For the year ending 29 February 2020	Opening	Cash flows: Drawn/ issued during the year	Cash flows: Capital repaid during the year	Cash flows: Interest repaid during the year	Non-cash changes: Acquired through change in control and other non-cash changes	Non-cash changes: Interest charged	Non-cash changes: Foreign currency translation differences/ deferred finance charges/ other non-cash changes	Closing
Long-term borrowings	410 939	54 670	(76 668)	(36 588)	1 599	36 588	(36 968)	353 572
Short-term borrowings	17 283	6 412	(15 703)	(2 580)	8 149	2 580	(336)	15 805
Preference share liability	60 878	1	(1 096)	(4 799)	–	4 777	(4 272)	55 490
Lease liabilities			(5 804)	(2 208)	51 487	2 208	3 271	48 954
Derivative financial instruments held to hedge liabilities	2 236			3 219		(3 014)	3 459	5 900
Finance charges paid (loan arrangement fees)				(211)				
	491 336	61 083	(99 271)	(43 167)	61 235	43 139	(34 846)	479 722

For the year ending 28 February 2019	Opening	Cash flows: Drawn during the year	Cash flows: Capital repaid during the year	Cash flows: Interest repaid during the year	Non-cash changes: Acquired through change in control and other non-cash changes	Non-cash changes: Interest charged	Non-cash changes: Foreign currency translation differences/ deferred finance charges/ other non-cash changes	Closing
Long-term borrowings	481 981	98 352	(123 190)	(41 904)	3 464	41 904	(49 668)	410 939
Short-term borrowings	36 752	1 441	(20 191)	(2 600)		2 600	(719)	17 283
Preference share liability	70 550	1	(1 017)	(5 114)	–	5 099	(8 641)	60 878
Derivative financial instruments held to hedge liabilities	(5 847)			3 642		(3 624)	8 065	2 236
Finance charges paid (loan arrangement fees)				(541)				
	583 436	99 793	(144 398)	(46 517)	3 464	45 979	(50 962)	491 336

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

		GROUP	
		2020 £'000	2019 £'000
31.	**Commitments**		
31.1	Capital commitments		
	Significant capital expenditure contracted for at the year end but not recognised as liabilities is as follows:		
	South Africa		
	Phase 1 of the Mzuri development by Imbali Props 21 (Pty) Ltd to be funded by Investec Ltd	1 228	2 594
	Inanda Spar development by Colkru Investments (Pty) Ltd to be funded by Rand Merchant Bank Ltd.	2 215	—
31.2	Repairs and maintenance investment property		
	South Africa		
	Sprinkler replacement program – requirement of the insurers in order to maintain the insurance cover in place over various properties and will be done over the course of the next financial period.	1 797	
31.3	Non-cancellable operating leases		
	The group leases retail outlets and offices under non-cancellable operating leases expiring within 2 to 107 years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.		
	Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:		
	Expenditure to be incurred within 1 year	8 161	7 724
	Later than one year and not later than 5 years	30 309	29 070
	To be incurred after 5 years	30 331	33 885
		68 801	70 679
	Sub-lease payments		
	Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	39 088	113 381

32. Contingent liabilities

None

33. Borrowing powers

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

The group is also subject to certain financial covenants with the strictest being a 65% loan-to-value covenant on its bank borrowings.

Borrowings are disclosed in notes 18.4, 19 and 23

The group's loan-to-value ratio is disclosed in note 34.8

The group has undrawn borrowings of £16.9 million available

34. Financial risk management

34.1 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.

34.2 Market risk – Foreign currency exchange risk

The group operates internationally in the United Kingdom, South Africa, Mozambique, Namibia, Botswana and Zambia, 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 South African Rand, Namibian Dollar, United States Dollar, Swiss Franc, Euro, 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.

	GROUP	
	2020 £'000	2019 £'000
34.2.1 Sensitivity analysis		
The sensitivity analysis below details the group's sensitivity to a change in exchange rate between Pound Sterling and South African Rand, Pound Sterling and Namibian Dollar and Pound Sterling and US Dollar. 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 depreciated 15% against £, profit for the year would increase/(decrease) by	(2 155)	(1 383)
If N$ depreciated 15% against £, profit for the year would increase/(decrease) by	46	145
If US$ depreciated 15% against £, profit for the year would increase/(decrease) by	(288)	(313)

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

34. Financial risk management (continued)

34.2 Market risk – Foreign currency exchange risk (continued)

34.2.2 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:

	GROUP			
	2020 Average rate	2020 Closing rate	2019 Average rate	2019 Closing rate
South African Rand	ZAR18.6376	ZAR20.0388	ZAR17.8510	ZAR18.5797
Swiss Franc	Fr.1.2646	Fr.1.2441	Fr.1.3010	Fr.1.3206
United States Dollar	$1.2773	$1.2866	$1.3196	$1.3300
Euro	€1.1475	€1.1721	€1.1313	€1.1650
Namibian Dollar	N$18.6376	N$20.0388	N$17.8510	N$18.5797
Botswana Pula	BWP13.8169	BWP14.3655	BWP13.6312	BWP13.9736
Zambian Kwacha	ZMW17.0587	ZMW19.3710	ZMW14.2389	ZMW15.9455
Mozambique New Metical	MZN80.1790	MZN83.9029	MZN80.0850	MZN83.1351

34.2.3 Uncovered foreign assets and liabilities

The group had the following uncovered foreign assets and liabilities:

	GROUP			
	2020 Foreign currency '000	2020 Pound equivalent £'000	2019 Foreign currency '000	2019 Pound equivalent £'000
Assets				
South African Rand	9 908 089	482 255	9 194 008	494 909
Namibian Dollar	947 102	48 758	961 293	51 739
United States Dollar	39 969	29 989	35 452	26 656
Botswana Pula			9 962	713
Zambian Kwacha	62 225	3 212	119 417	7 489
Euro	16	13	18	15
Swiss Franc	50	40	559	423
Liabilities				
South African Rand	6 483 767	323 182	6 874 378	369 994
Namibian Dollar	528 315	27 057	533 905	28 736
United States Dollar	17 787	11 953	16 219	12 195
Botswana Pula			2 025	145
Zambian Kwacha	1 140	59	6 704	420
Euro	64	55		
Swiss Franc	457	368	386	293

		GROUP	
		2020 £'000	2019 £'000
34.3	**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 2020 and 2019, the group's borrowings at variable rate were denominated in South African Rand, United States Dollar, UK pound, and Namibian Dollar.		
	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.		
	Instruments used by the group – refer note 20		
	Sensitivity		
	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	(3 621)	(4 375)
	whilst a 100 basis point reduction in interest rates would have resulted in an increase in the net profit of the group of	3 621	4 375
	The group has various GBP LIBOR-linked loans, as well as a derivative. For the IBOR reform, GBP LIBOR is to be replaced by another reference rate by the end of 2021. The group is assessing the impact of this change on its LIBOR-linked contracts for future financial periods.		
	Refer notes 19.1.1, 19.1.3, 19.1.4, 19.1.5 and 20.3		
34.4	**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	385	377
	whilst a 5% decrease in the value of investments would reduce the net profit by	(385)	(377)

34.5 **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, favourable derivative financial instruments, deposits with banks and financial institutions and outstanding receivables, including rental, trade and other outstanding receivables, and loans receivable.

34.5.1 Trade and other receivables

Risk management

The letting operations are concentrated throughout the United Kingdom, with the relevant properties held in Pound Sterling, and since 2017, throughout South Africa, with the relevant properties held in South African Rand. The group also has letting operations in Mozambique, Zambia and Namibia, which it has held since 2016.

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.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

COMPANY 2019 R'000	COMPANY 2020 R'000		GROUP 2020 £'000	GROUP 2019 £'000
		34. Financial risk management (continued)		
		34.5 Credit risk (continued)		
		34.5.2 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:		
		Bank rating (as per Fitch Ratings)		
—	—	F1 +	14 910	6 385
—	—	F2	—	—
1.8	0.5	F3	8 585	6 510
1.8	0.5	Total	23 495	12 896
		The maximum amount of credit risk that the group is exposed to is and has been calculated as follows:	81 449	57 219
		Trade and other receivables	16 010	7 964
		Loans receivable	19 991	10 642
4 092	3 992	Loans to subsidiaries	—	—
		Loans to associates	5 578	6 488
		Loans to joint ventures	16 375	18 371
1.8	0.5	Cash and cash equivalents	23 495	12 896

34.5.3 Impairment

The financial assets of the group that are subject to the expected credit loss model are trade receivables for rentals and service charges receivable from lessees, and receivables in respect of property management contracts. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

For the measurement of credit losses of trade and other receivables, refer note 12.4

34.6 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.

South Africa, Namibia and Africa operations

The group has engaged with bankers and agreed various terms to help manage liquidity risk arising from COVID-19 over the next four months. These terms include interest capitalisation and increased residuals.

The group has also done a detailed forecast in regards to the COVID-19 pandemic and from this has determined that there will be sufficient liquidity in the group to operate into the foreseen future.

UK operations

The UK group has debt from HSBC, Canada Life and RMB (via Tradegro S.àr.l), and is compliant with the covenant requirements under each facility. Due to the cost of the debt (part fixed and part variable) and the on-going low interest rate environment in the UK, management is confident of continuing to service all UK debt.

UK Management has kept all 3 banks regularly updated with the impact of COVID-19 on the business, and has received assurances that, should any covenant waivers be required in the future, then each bank would be sympathetic to such requests. Management believes that banks will focus on actual debt service, with less emphasis at this time on ICR and LTV covenants.

The largest scheduled repayment within the next 12 months is the £4m due to Springlea Ltd in November 2020, management expect this loan to be rolled over. In addition, one of the assets held in a JV in the UK is subject to a refinance in October 2020 and positive discussions are already underway with HSBC in that regard.

The UK government has taken strong policy steps to mitigate the impact of COVID-19 on the UK economy, with measures designed to increase banks' liquidity to enable them to support business. The specific measures include:

- a relaxation of the required capital ratios imposed on the banks;
- a block on bank dividends in Q1 2020.
- the deferral of VAT and corporate tax payments

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 2020	Less than 1 month £'000	Between 1 and 3 months £'000	Between 3 and 12 months £'000	Between 1 and 5 years £'000
3	—	Trade and other payables	5 125	840	4 354	6 922
23	1 089	Interest-bearing liabilities	116	823	22 280	369 643
		Total non-derivatives	5 241	1 663	26 634	376 565
		Derivatives	—	—	—	6 274
			5 241	1 663	26 634	382 839

Less than 1 year R'million	Between 1 and 5 years R'million	At 28 February 2019	Less than 1 month £'000	Less than 3 months £'000	Between 3 to 12 months £'000	Between 1 and 5 years £'000
5.2	—	Trade and other payables	14 287	38	262	5 859
20.4	1 111	Interest-bearing liabilities	14 080	801	7 319	429 516
		Bank overdrafts	638			
		Total non-derivatives	29 005	839	7 581	435 375
		Derivatives	(788)		(2 489)	(4 672)
			28 217	839	5 092	430 703

34.7 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 2020	Carrying value	Net (losses)/ gains	Total interest income	Total interest expense	Impairment
Assets (£'million)					
Financial asset at fair value through profit or loss	7.7	0.2	—	—	—
Derivatives	12.9	5.6	—	—	—
Loans to joint venture	16.4	—	1.4	—	(1.4)
Loans to associates	5.6	—	0.2	—	(0.4)
Loans receivable	20.0	—	1.9	—	—
Trade and other receivables	7.1	—	—	—	(0.3)
Other assets	16.3	—		(0.9)	—
Cash and cash equivalents	23.5	—	0.4	—	—
Liabilities (£'million)					
Long-term borrowings	346.5	—	—	(36.7)	—
Derivatives	6.3	—	—	3.7	—
Preference shares	55.4	—	—	(4.8)	—
Deferred revenue	6.7	6.4	—	—	—
Short-term borrowings	22.8	—	—	(2.5)	—
Bank overdrafts	—	—	—	—	—
Trade and other payables	17.2	—	—	—	—
Lease liabilities	49	—	—	(2.2)	—

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

34. Financial risk management (continued)

34.7 Fair value of financial instruments (continued)

28 February 2019	Carrying value	Net (losses)/ gains	Total interest income	Total interest expense	Impairment
Assets (£'million)					
Financial asset at fair value through profit or loss	7.5	0.2	–	–	–
Derivatives	8.3	8.6	–	–	–
Loans to joint venture	18.4	–	1.3	–	–
Loans to associates	6.5	–	1.0	–	–
Loans receivable	10.6	–	–	–	(0.9)
Trade and other receivables	8.3	–	–	–	–
Cash and cash equivalents	12.9	–	0.3	–	–
Liabilities (£'million)					
Long-term borrowings	401.1	–	–	(40.2)	–
Derivatives	2.3	–	–	(4.3)	–
Preference shares	60.8	–	–	(5.1)	–
Deferred revenue	6.3	5.6	–		–
Short-term borrowings	27.1	–	–	(4.7)	–
Bank overdrafts	0.6	–	–	–	–
Trade and other payables	19.4	–	–	(0.8)	–
Financial guarantee contract	–				

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 20

34.8 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.

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:

- the consolidated intrinsic net asset value of the group before tax must not be less than £300 000 000
- the loan to value ratio, excluding debt guaranteed by shareholder, must not be more than 65%
- the interest cover ratio may not be less than 1.3 times
- the vacancy ratio on UK properties may not be more than 15%

The group has complied with these covenants throughout the reporting period, and its forecasts shows that it should continue to comply on its group covenants at the end of the current financial year.

South Africa, Namibia and Africa operations

There is no concern over the group ability to continue as a going concern. There has been no difficulty to maintain any covenants and none have been breached.

UK operations

Management believe that in the current environment, banks will focus on debt service, rather than covenants, and can confirm that:

- There have been no covenant breaches since the year end.
- The group has cash reserves which, when combined with 16 month post Covid-19 cash flow forecasts, show that current debt can be serviced for the 16 months to 30 June 2021.
- All the groups banks have indicated their support by not requiring revaluations for properties (thus maintaining LTV covenant ratios) and expressing the willingness to grant interest cover ratio covenant waivers on a wait and see basis.

Consequently management has the view that the group can continue as a going concern.

A maximum of 65% 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.

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

	GROUP	
	2020 £'000	**2019 £'000**
The LTV ratios were as follows:		
Total borrowings (including preference shares)	415 811	480 380
Less: Short-term bank borrowings secured by guarantee from shareholder		(14 000)
Less: Short-term bank borrowings secured by cash deposits		
Net bank debt	415 811	466 380
Investment property, owner-occupied properties and property financial asset	692 177	732 091
LTV ratio	60.1%	63.7%

34.9 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 2020:

Assets	**Level 1**	**Level 2**	**Level 3**
Financial assets at fair value through profit or loss			
Equity securities	–	–	7 697
Trading derivatives			
South Africa CPI hedge		12 928	
Non-financial assets at fair value through profit or loss			
Investment properties	–	–	679 506
Total assets	–	12 928	687 203
Liabilities			
Financial liabilities at fair value through profit or loss			
Trading derivatives			
Cross currency and interest rate swap		5 900	
Derivatives used for hedging			
Interest rate contracts	–	374	–
Financial liabilities at amortised cost			
Preference shares		55 435	54
Borrowings	–	–	369 378
Lease liabilities			
Total liabilities	–	61 709	369 432

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

34. Financial risk management (continued)

34.9 Fair value estimation (continued)

The following table presents the group's financial assets and liabilities that are measured at fair value at 28 February 2019:

	Level 1	Level 2	Level 3
Assets			
Financial assets at fair value through profit or loss			
Equity securities	–	–	7 548
Trading derivatives			
South Africa CPI hedge		8 286	
Non-financial assets at fair value through profit or loss			
Investment properties	–	–	727 209
Total assets	–	8 286	734 757
Liabilities			
Financial liabilities at fair value through profit or loss			
Trading derivatives			
Cross currency and interest rate swap		2 236	
Derivatives used for hedging			
Interest rate contracts	–	60	–
Financial liabilities at amortised cost			
Preference shares		60 823	56
Borrowings	–	–	428 221
Total liabilities	–	63 119	428 277

The fair value of financial instruments traded in active markets is based on quoted market prices at the year-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 and vacancy rates at the year-end. The key observable inputs are rental yields and vacancy rates.

	£'000 United Kingdom	£'000 South Africa	£'000 Namibia	£'000 Rest of Africa
Should property yields increase by 1%, the valuations would be lower by approximately	32 316	43 870	4 162	4 129
Should property yields decrease by 1%, the valuations would be higher by approximately	47 180	54 060	5 561	14 776
Should property vacancy rates increase by 1%, the valuations would be lower by approximately	1 911	4 660	637	242
Should property vacancy rates decrease by 1%, the valuations would be higher by approximately	2 079	3 770	271	242

South Africa, Namibia and Africa operations

The sensitivities used are still accurate as no lease alterations have occurred, some remissions have been granted (R6.3m to date across the group) and some payments have been deferred to be paid before February 2021. Overall this does not change our assessment of the sensitivity.

UK operations

As can be seen from the existing disclosures, a 1% yield shift would have a material impact on valuations, and management still consider this range to be a more than adequate sensitivity to run on the portfolio. In relation to vacancy rates, it is reasonable to make the case that the vacancy rate may increase due to the impact of Covid-19, although it is very hard to estimate with certainty by how much. Management have calculated that, should the vacancy rate increase by 5% (rather than 1%), then this would potentially reduce the value of the portfolio by £8,216,000.

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.

Reconciliation of recurring level 3 fair value financial instruments:
Investment Properties – refer note 2.2
Financial assets – refer notes 10.1.1 and 10.1.2

35. Related parties

Related party relationships exist between the company, its subsidiaries and the directors of the company. See page 132 for details of major shareholders and directors' interest and page 119 for its subsidiaries.

Non-executive director KR Collins received property consulting fees of £21 329 from Tradegro S.àr.l during the year. These fees are disclosed in note 26.2.2

J D Wiese, alternate to non-executive director C H Wiese, is a director and indirect beneficial shareholder of Springlea Ltd, which advanced a loan to Moorgarth Group Ltd of £6 million during the year. Interest of £121 466 accrued on the loan during the year. The outstanding loan balance of £4 012 615 (2019: £nil) is disclosed in 'Short term borrowings' in note 23.6

Chairman and non-executive director CH Wiese is also the chairman and largest shareholder in Shoprite Holdings Ltd, which leases properties from the group.

Related party loans include a loan of £266 868 (2019: £287 826) from Africol Property Investments (Pty) Limited, being sellers or affiliated to the sellers of the Namibia properties acquired in terms of the Collins group property acquisition in 2016. The loan is disclosed in note 23.1

	GROUP	
	2020 £'000	2019 £'000
Loans receivable include the following loans to companies whose directors or shareholders also serve on the board of Nguni Property Fund Ltd:		
Loan to Nguni Property Services (Pty) Ltd	72.9	78.7
The loan is disclosed in note 8.5		
Short term borrowings include the following related party loan payable to Demashuwa Property Developers (Pty) Ltd, the 50% partner in Steps JV owned by the associate company Steps Towers Property Investments (Pty) Ltd and 50% JV partner in MegaCentre JV	1 608.3	1 924.6
The loan payable is disclosed in note 23.3		
The following property management, letting, advertising and accounting fees were paid to Nguni Property Services (Pty) Ltd during the year	196.9	259.4
Loans receivable include the following related party loans advanced to key management for the acquisition of equity interests in the group		
AS Trust (FH Esterhuyse) – 1 664 490 shares	1 444.6	1 464.6
Eastwick Road Ltd (D Wheble) – 10% of The Boutique Workplace Company Ltd	859.4	832.9
The loans are disclosed in note 8.3		
All joint venture arrangements and joint operations and loans receivable from/payable to joint ventures are disclosed in note 6		
All associates and loans receivable from/payable to associates are disclosed in note 7		
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 5		
Details of the directors shareholding are disclosed elsewhere in the annual financial statements.		
Details of directors remuneration is disclosed in note 26.2		
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	1 550	1 442
Key management compensation was paid to:		
Executive directors and prescribed officers	1 550	1 442

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

36. Share based payments

36.1 A new employee share option scheme, the Tradehold Limited Employee Share Trust ("ESOP"), was adopted in the 2017 financial year. The maximum number of shares that can be awarded under the ESOP is 7 806 644. The options granted under the ESOP are exercisable at the market price of the shares on the date of Tradehold board approval of the award, in three equal tranches on the fourth, fifth and sixth anniversary of the board approval date, provided that the employee is still employed on such exercise date. The fair value at the date of acceptance of the award by the employee (the "Grant Date") is estimated using a binomial pricing model, taking into account the terms and conditions upon which the options were granted. There is no cash settlement of the options.

The following options were granted to directors of the company in terms of the ESOP during the year (2019: 274 593):
On 26 August 2019 (the Grant Date), an award of 219 600 share options of ZAR11.56 per share were accepted by F H Esterhuyse, exercisable in three equal tranches on 26 August 2023, 26 August 2024 and 26 August 2025 respectively.
On 27 August 2019 (the Grant Date), an award of 219 600 share options of ZAR11.56 per share were accepted by T A Vaughan, exercisable in three equal tranches on 27 August 2023, 27 August 2024 and 27 August 2025 respectively.
On 26 August 2019 (the Grant Date), an award of 203 633 share options of ZAR11.56 per share were accepted by K L Nordier, exercisable in three equal tranches on 26 August 2023, 26 August 2024 and 26 August 2025 respectively.
The following options were granted to directors and employees of major subsidiaries in terms of the ESOP during the year (2019: 184 808):
On 27 August 2019 (the Grant Date), an award of 203 633 share options of ZAR11.56 per share were accepted by K A Searle, exercisable in three equal tranches on 27 August 2023, 27 August 2024 and 27 August 2025 respectively.
On 28 August 2019 (the Grant Date), an award of 280 000 share options of ZAR11.56 per share were accepted by D Coleman, exercisable in three equal tranches on 28 August 2023, 28 August 2024 and 28 August 2025 respectively.
On 28 August 2019 (the Grant Date), an award of 13 919 share options of ZAR11.56 per share were accepted by G A Adams, exercisable in three equal tranches on 28 August 2023, 28 August 2024 and 28 August 2025 respectively.
On 29 August 2019 (the Grant Date), an award of 15 495 share options of ZAR11.56 per share were accepted by M B Borrageiro, exercisable in three equal tranches on 29 August 2023, 29 August 2024 and 29 August 2025 respectively.
On 30 August 2019 (the Grant Date), an award of 15 495 share options of ZAR11.56 per share were accepted by G C Lang, exercisable in three equal tranches on 30 August 2023, 30 August 2024 and 30 August 2025 respectively.

Options totalling 93 788, awarded to directors and employees of major subsidiaries in prior financial years, lapsed as a result of resignations during the year.

The fair value of the options granted was estimated on the Grant Date using the following assumptions:

	GROUP
	2020
Dividend yield (%)	–
Expected volatility (%)	7.91%
Risk-free interest rate (%)	8.21%
Expected life of share options (years)	6
Weighted average share price (ZAR)	11.49
The weighted average fair value of the options granted during the year was	£228 931
For the year ended 29 February 2020, Tradehold has recognised a share-based payment expense in the statement of changes in equity of	£35 764

At 29 February 2020, there are 6 269 656 (2019: 7 347 243) shares available for utilisation under the ESOP.

37. Events after the reporting period

37.1 On 11 March 2020, the World Health Organisation ("WHO") declared COVID-19 a pandemic. Both the South African and United Kingdom governments curtailed business activities in an attempt to reduce the spread of COVID-19. The group has evaluated the likely impact on its cash flow forecast, its assessment of expected credit losses and the valuations of security held against its loan and trade receivables.

The group has evaluated whether the impact of COVID-19 is an adjusting or non-adjusting subsequent event. This is deemed a highly subjective exercise, and to that extent, the timeline of events in the various jurisdictions and financial impacts on the areas noted below were considered:
- the declaration of COVID-19 as a pandemic by the WHO;
- the dates on which various measures were taken by governments to curtail business activities;
- the first positive COVID-19 case in each jurisdiction;
- the first COVID-19 death in each jurisdiction; and
- the dates when scientific research was published outlining the likely effects of the disease on human life.

Based on its assessment for the group's 29 February 2020 financial year end, it has concluded that the impact of COVID-19 is a non-adjusting post balance sheet event in respect of its South Africa, Namibia and Africa operations, but provided more evidence about conditions that already existed at the balance sheet date for its United Kingdom operations.

Please refer below for disclosure relating to the nature and financial impact assessments performed:

37.2 Impact on South Africa operations

The first case was reported in South Africa on 5 March 2020, following which on 15 March 2020, the South African government declared a national state of disaster with partial travel ban, closing of schools and no gathering with more than a 100. With the rise in infections, the contagious nature of the virus, a more dramatic and pronounced form of national intervention was required. As a result, a national lockdown for a 21 day period was implemented at midnight on 26 March 2020, in an unprecedented limitation of freedom of movement and personal freedoms in the post-1994 constitutional democracy. This was a firm response from the National government to the growing global and local pandemic in order to attempt containment from the spread of new infections and isolate those already infected. With initial progress promising, the rate of infections has increased coupled with insufficient testing, this resulted in a second phase lockdown announced on 9 April 2002, which extended the lockdown by 14 days and made the new date for the end of the lockdown to be midnight on 30 April 2020. With the above playing a significant role in post-reporting period operations and results, management has taken to assess the going concern of the SA group and to understand the potential impacts and how to negate these. Below follows a summary of management's response and assessments:

Investment property valuations

The portfolio can be broken down into the following categories of investment property:

Industrial – the impact of the national lockdown on the valuations is regarded as low. The majority of the portfolio comprises of national tenants who have sufficient cash reserves or have been operational during the lockdown. Where the tenant is not national, negotiations are in place with assist the tenant with rental remissions and a view to ensure normal lease terms are in place as soon as possible. There have been no changes to any of the larger industrial leases and payment on the vast majority has not been affected by COVID-19. Concessions granted to tenants vary depending on the tenants' line of business. If they have been able to trade the full rental has been called for and received. Tenants who have not been able to trade have been negotiated with and rental has either been deferred or remitted. No lease terms have been changed as a result of COVID-19.

Offices – the impact of the national lockdown on the valuations is regarded as low. The majority of the portfolio comprises of Government tenants who have been operational during the lock down, and day care facilities. Where the tenant is not governmental and have shutdown, there has been no loss of tenants to date due to their operation closing down with management taking the stance of allowing a rental remission to assist the tenants with restarting their operations.

Retail – the impact of the national lockdown on the valuations is regarded as moderate. The majority of the portfolio is tenants who have not been operational during the lock down, being deemed as non-essential (restaurants etc.). Where the tenant has been operating there is no change in value but management have considered the impact of the shutdown on those tenants where operations have been curtailed. To the date of this report there has been no loss of tenants but significant rental remissions have been offered.

Residential – the impact of the national lockdown on the valuations is regarded as nil. The property is under construction.

With a view to the above, management is of the opinion there is no impact on the fair values of the properties. The existing values already take into account various factors such as vacancies and cash flow constraints on the property values. The impact of COVID-19 will have an impact but only once the lockdown ceases and is expected to have a future impact on the valuations in the next financial year.

Expected Credit Losses

Impact on tenants – the existing IFRS 9 considerations have remained in place. Management have made new assessments across the portfolio and the potential impact is regarded as low as the majority of tenants outstanding at year end have paid their balances and ongoing bad debt assessments of all tenants have continued in line with the group policy.

Impact on loans receivable – all loans receivables are backed by a signed agreement, and regardless of losses from COVID-19 will be settled when called on upon. The overall impact of the above is regarded as low.

Borrowings

The financial covenants disclosed under note 19 are still in place and have not been in breach due to the impact of COVID-19. Management took the decision before financial year end to settle the more expensive debt, which has continued after year end. Various fixed interest rate facilities have been re-negotiated and an aggressive debt reduction programme was undertaken to lower expensive debt in light of the ongoing bond market upheaval due to the pandemic. Further, as the impact of the lockdown and pandemic grew, management has engaged with the various lenders to obtain payment holidays, interest roll ups and assistance with debt obligations. All this has been done with a view to extend the assistance to tenants via rent remissions and operational assistance. The process is ongoing and will be assessed constantly by management.

Going concern

Under a worst case scenario the group anticipates that there would be approximately 20 months of liquid cash reserves available to negate the impact of the pandemic. The assumptions are that all tenants operating as essential services or manufacturers of essential goods/components would continue to be classified as such and pay their full rental due per their lease agreement. There may be other tenant fall out due to COVID-19 but the quantification of the full impact is at an early stage. However, the group does not have a large retail portfolio which management believes will be the hardest hit sector, and within our retail portfolio the group has relatively low reliance on line shops. Based on the above factors, management regards the group as having sufficient operational and financial capacity to continue operations, albeit in a significantly more constrained trading environment, with opportunities for growth to be identified.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

37. Events after the reporting period (continued)

37.3 Impact on United Kingdom operations

The first reported cases of Covid-19 in the UK were announced on 29 January 2020. The government's strategy was initially one of containment to delay the spread of the disease. As the UK, European and Global number of cases rapidly increased however, the government strategy markedly changed in March. On 23 March 2020 the UK government imposed a lockdown on the whole population, involving a ban on non-essential travel, the requirement for all to work at home, the closure of schools and many businesses.

The Coronavirus Act of 2020 granted the government emergency powers to enforce the lockdown, though the population was seen to largely respect the new guidelines. Prime Minister Boris Johnson declared in late April that the UK was past the peak level of cases, but as of May 2020 the UK had suffered more than 200,000 confirmed cases and in excess of 32,000 deaths. The impact of the outbreak on the economy and business during the post year end period has been significant, though government has introduced a number of measures to soften the blow and support the economy through the lockdown. Management assess here the impact of the lockdown on Tradehold's UK operations.

Investment property valuations

The current UK portfolio makeup over the past 12 months has seen a reducing exposure to retail, and we expect this will be a continuing trend. With only 50% exposure to the retail sector, the mixed nature of the group's portfolio, in particular to the office sector, has meant the negative sentiment to retail has had less of an impact.

Retail – the short term operational impact of the lockdown has been significant for tenants. The Bolton and Waverley shopping centres have been closed, with tenants unable to trade whilst Reading and Rutherglen have remained open for essential retail. It is anticipated that the June rent quarter will see a significant reduction in the collection of rent due from retail tenants, but this rent remains legally due, and Moorgarth anticipate that any agreed deferments or other arrears will be collected, largely within a 12 month period.

Offices – the impact of the lockdown on the valuations is regarded as low. The majority of the portfolio by value is located in strong, central London locations and fully let.

Management's view is that there is no impact on the fair values of the properties for the reporting period; the existing values take into account various factors such as vacancies and cash flow constraints on the property values. Contracted rents remain due, though the timing of their collection may be delayed. COVID-19 may negatively impact property valuations in future periods, but it will only be possible to assess the impact once the Government lockdown relaxation strategies become clearer, the knock on impact of those on trading and business performance in the short and medium terms, and the longer term impact on the economy can be determined.

Expected Credit Losses

Impact on accounts receivable – management assess the impact as low, as the majority of income is charged and collected in advance.

Impact on Loans receivable – the largest amount is that due from Inception Reading S.àr.l. Management performed a specific IFRS9 calculation as to the recoverability of this loan and are satisfied that the valuable planning consent for a significant residential development post year end, further supports the recoverability of this balance.

Borrowings

The UK business has debt from HSBC, Canada Life and RMB (via Tradegro S.àr.l), and is compliant with the covenant requirements under each facility. Due to the cost of the debt (part fixed and part variable) and the on-going low interest rate environment in the UK, management is confident of continuing to service all UK debt.

UK Management has kept all 3 banks regularly updated with the impact of COVID-19 on the business, and has received assurances that, should any covenant waivers be required in the future, then each bank would be sympathetic to such requests. Management believes that banks will focus on actual debt service, with less emphasis at this time on ICR and LTV covenants.

The UK government has taken strong policy steps to mitigate the impact of COVID-19 on the UK economy, with measures designed to increase banks' liquidity to enable them to support business. The specific measures include:

- a relaxation of the required capital ratios imposed on the banks;
- a block on bank dividends in Q1 2020.

Going concern

COVID-19 has undoubtedly had a sharp, immediate negative effect on the UK economy. Tradehold's UK portfolio is not immune to the economic downturn, but management feel that the business is well placed to trade through the period, based on the following 2 key factors:

1. The UK business held £10.5m in cash at 29.2.20, and has prepared a stress tested 16 month cashflow forecast to 30 June 2021, based on the following key assumptions:
   - A reduction in budgeted income throughout the forecast period
   - A material reduction in rents collected during the period, with the largest impact felt between May and October
   - the UK business services all HSBC and Canada Life debt in full, and pays the interest on the RMB debt, with Tradegro S.àr.l meeting the capital repayments.

   On this basis the UK business expects to hold £3.1m of liquid cash reserves in June 2021.

2. Tradehold's UK management expects to service debt and to comply with banking covenants on UK debt during the forecast period. On the RMB portfolio of UK assets (where the borrower is Tradehold Limited), management forecasts suggest that complying with the UK (rather than Tradehold) ICR covenant may be at risk in a worst case scenario event during the forecast period. Based on discussions to date however, management is confident that all the banks, and specifically RMB, would be supportive should any covenant waivers be required in the future.

   Consequently, management is confident that the UK operation has the financial resources to trade through the COVID inspired lockdown working closely with its banks, notwithstanding the on-going reduction in rent collection.

37.4 Impact on Namibia operations

Namibia was on a partial lockdown for 21 days until 16 April in an attempt to curtail the further spread of the COVID-19 pandemic. The announcement by President Hage Geingob and Health Minister Kalumbi Shangula coincided with news of a seventh case of COVID-19 in the country. The country's borders with South Africa, Angola and Botswana have been closed. On 14th April it was announced that Namibian borders will remain closed and a partial lockdown in force for a further two-and-a-half weeks until May 4.

With the above playing a significant role in post-reporting period operations and results, management has assessed the going concern of the Namibian group to understand the potential impacts and how to negate these. Below follows a summary of management's response and assessments:

Investment property valuations

The impact of the partial national lockdown on valuations is considered to be low. National tenants are considered to have sufficient cash reserves to meet rental commitments or have been operational during the lockdown. Where tenants are not national, rental remission negotiations are underway with a view to ensure that normal lease terms are adhered to as soon as possible.

Expected Credit Losses

Debtors – the existing IFRS 9 considerations have remained in place.
Loans receivable – all loans receivable are considered recoverable regardless of losses arising from COVID-19, except as provided for.

Borrowings

Management has been in negotiations with lenders to obtain interest roll overs and assistance with debt obligations. All this has been done with a view to extend the assistance to tenants via rent remissions and operational assistance. The process is ongoing and is being constantly assessed by management.

Going concern

Based on the above, management regards the group as having sufficient operational and financial capacity to continue operations, albeit in a significantly more constrained trading environment.

37.5 Impact on rest of Africa operations

Mozambique

In order to guard against the spread of COVID-19, Mozambique declared a state of emergency for 30 days with effect from 1 April 2020. The government announced several regulations meant to limit the movement of people and goods in a decree.

At present, Mozambique has isolation restrictions in place and is not yet on full lockdown. All tenants remain trading.

Investment property valuations

The impact in Mozambique on property valuations is considered to be low.

Tete valuation of $825,000: this was based on an offer to purchase a vacant property. To date we have not had any discussions with the buyers regarding a change in price.

BAT valuation of $13,620,000: this valuation was based on a professional valuation, where rental yields and vacancy are the main considerations. The property is fully let to a single tenant and the rental is received a year in advance.

Pemba valuation of $13,284,000: the valuation was based on a professional valuation, where rental yields and vacancy are the main considerations. As the centre is still trading, the impact on this valuation is considered to be low.

Expected Credit Losses

Debtors – the existing IFRS 9 considerations have remained in place.
Loans receivable – all loans receivable are considered recoverable regardless of losses arising from COVID-19, except as provided for.

Borrowings

We don't foresee any difficulty in repaying our borrowings. On our BAT facility with RMB, the rental has been received in advance and is more than sufficient to cover the repayments. On the Pemba facility, the next instalment is due in July. Presently, all tenants remain trading, failing which we have sufficient cash reserves to cover the instalment or any shortfall.

37. Events after the reporting period (continued)

37.5 Impact on rest of Africa operations (continued)

Zambia

Though Zambia is not under a total lockdown – travellers are still allowed entry into the country – those who exhibit symptoms upon screening are quarantined in a medical facility for treatment, while all those who enter the country and show no symptoms of the virus are required to self-quarantine for at least 14 days at their own cost. As part of government's containment strategy, public gatherings such as conferences, weddings, funerals and festivals are restricted to not more than 50 people. Restaurants may operate only on a take-away and delivery basis and all bars, nightclubs, cinemas, gyms and casinos have been ordered to close.

The partial lockdown in Zambia is adversely affecting trading conditions. Companies are closing down or laying off staff, which is affecting our tenant sales. In some cases, there are no sales. Our managing agent is been asked daily for rental relief. Presently we are taking tenant requests into consideration, assessing and discussing the way forward.

Investment property valuations

The impact in Zambia on property valuations is considered to be low.

Property values are based on a signed sale agreement and at present there have been no discussions regarding a change in selling price.

Rental remissions are expected to decrease rental earned but the impact is still being assessed subsequent to year end. However, the value of the property is fixed due to the value being held at the selling price.

Expected Credit Losses

Debtors – the existing IFRS 9 considerations have remained in place.
Loans receivable – all loans receivable are considered recoverable regardless of losses arising from COVID-19, except as provided for.

Borrowings

There are no borrowings in Zambia.

Going concern

Based on the above, management considers the group to have sufficient operational and financial capacity to continue operations, albeit in a significantly more constrained trading environment.

38. 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 – South Africa
Property – Namibia
Property – rest of Africa
Serviced Office – United Kingdom
Other

There have been no amendments to the operating segments since the previous annual report.

The operating segments derive their revenue primarily from rental income from lessees and revenue from serviced office. 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 operating profit.

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 2020 is as follows (in £'000):

	Property					Serviced Office		
	United Kingdom including Joint Ventures	IFRS adjustments for Joint Ventures	South Africa	Namibia	Rest of Africa	United Kingdom	Other	Group total
	Moorgarth		Collins	Nguni	Tradehold Africa	Boutique		
Condensed statement of comprehensive income								
Total segment revenue (external customers)	12 488	(3 997)	55 756	4 237	2 679	23 445	—	94 608
Other income	6 494	(243)	1 103	76	567	—	8	8 005
Foreign exchange gains and losses	—	—	—	—	211	—	(8)	203
Provision for bad debts	(231)	(1 383)	(44)	(451)		—	(6)	(2 115)
Unrecovered property costs	(2 528)	742		—	(103)	—	—	(1 889)
Other operating costs	(4 905)	3 078	(6 896)	(939)	(467)	(13 332)	(885)	(24 346)
EBITDA	11 318	(1 803)	49 919	2 923	2 887	10 113	(891)	74 466
Depreciation, impairment and amortisation	(325)	79	(416)	(55)	(8)	(2 154)	(2)	(2 881)
Trading profit per entity	10 993	(1 724)	49 503	2 868	2 879	7 959	(893)	71 585
Profit on disposal of investment property	(9)		(1 410)	—	—		—	(1 419)
Fair value adjustment on investment property	(16 651)	3 016	1 885	(1 201)	230	—	—	(12 721)
Fair value adjustment on right of use assets		(17)				(5 784)		(5 801)
Profit/(loss) on acquisition/disposal of investments/PPE		—	—	—	—		—	—
Profit/(loss) on acquisition/disposal of subsidiaries/associates		—		—	(100)		—	(100)
Impairment of goodwill						(59)		(59)
Fair value gain/(loss) on investments	568		5 656	—	—	—	421	6 645
Operating profit/(loss)	(5 099)	1 275	55 634	1 667	3 009	2 116	(472)	58 130
Finance income	1 095	122	1 724	387	16	3	4 316	7 663
Finance cost – lease liabilities	(231)					(1 967)		(2 198)
Finance cost (notional interest allocation per segment based on debt utilisation)	(5 025)	1 215	(33 292)	(2 472)	(751)	(294)	(4 430)	(45 049)
Profit from joint venture	—	(1 141)	—	—	—	—	—	(1 141)
Profit from associated companies	—	—	—	—	—	—	—	
Profit before taxation	(9 260)	1 471	24 066	(418)	2 274	(142)	(586)	17 405
Income tax expense	(159)	(85)	(6 211)	42	(506)	(53)	(270)	(7 242)
Profit from continuing operations	(9 419)	1 386	17 855	(376)	1 768	(195)	(856)	10 163
Profit from operations held for distribution								—
Profit before non-controlling interest	(9 419)	1 386	17 855	(376)	1 768	(195)	(856)	10 163
Non-controlling interest			(4 691)	24	440	49		(4 178)
Net profit for the year	(9 419)	1 386	13 164	(352)	2 208	(146)	(856)	5 985

38. Segment information (continued)

	Property					Serviced Office		
	United Kingdom including Joint Ventures	IFRS adjustments for Joint Ventures	South Africa	Namibia	Rest of Africa	United Kingdom	Other	Group total
	Moorgarth		Collins	Nguni	Tradehold Africa	Boutique		
Condensed statement of financial position								
Investment properties	239 608	(58 862)	437 967	37 073	23 720			679 506
Property plant and equipment	3 976	(51)	2 793	14	61	4 519		11 312
Right-of-use assets	5 850	(17 712)	320			60 563		49 021
Intangible assets	(37)					8 068		8 031
Derivative financial instruments			12 928	—				12 928
Financial assets	4 638		1 577	53			1 429	7 697
Investments carried at fair value through profit and loss								
Investment in joint ventures	18 311	8 769		1 608				28 688
Investment in associates	—	—	—	6 082	—	—	—	6 082
Deferred taxation	(139)	—	4 732	1 192	2 778	572	—	9 135
Cash	8 489	(938)	8 518	212	3 149	2 968	1 097	23 495
Assets held for sale			4 507					4 507
Other receivables	14 076	(3 083)	19 686	1 030	3 984	5 323	2 435	43 451
Total assets	294 772	(71 877)	493 028	47 264	33 692	82 013	4 961	883 853
Borrowings (notional allocation per segment based on debt utilisation)	160 432	(42 732)	274 188	23 683	8 629	6 681	261	431 142
Lease liabilities	5 851	(19 246)	253	—	—	62 095	—	48 953
Deferred revenue	883		1 020	—	852	3 928	—	6 683
Deferred tax	838	(820)	41 013	2 279	557	748	—	44 615
Other payables	3 283	(1 458)	6 958	403	3 846	4 664	694	18 390
Total liabilities	171 287	(64 256)	323 432	26 365	13 884	78 116	955	549 783
Non-controlling interest	—		52 738	(4)	(1 374)	43		51 403
Group borrowings	85 797	(9 155)	(113)	12 096	17 455	6 000	(112 080)	—
Shareholders equity	37 688	1 534	116 971	8 807	3 727	(2 146)	116 086	282 667
Total equity	123 485	(7 621)	169 596	20 899	19 808	3 897	4 006	334 070
Total assets include additions to the following non-current assets:								
Additions to property, plant and equipment	1 340		281					1 621
Additions to investment properties	2 483		9 324	293				12 100
Additions to goodwill	10							10
Additions to joint ventures	—		—		—			
Additions to associates	—		—		—			—

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2019 is as follows (in £'000):

	Property					Serviced Office		
	United Kingdom	**IFRS adjustments for Joint Ventures**	**South Africa**	**Namibia**	**Rest of Africa**	**United Kingdom**	**Other**	**Group total**
Condensed statement of comprehensive income								
Total segment revenue (external customers)	14 263	(4 215)	57 272	4 015	3 700	21 403	–	96 438
Other income	599	(72)	1 000	130	156		61	1 875
Foreign exchange gains and losses					(1 134)		(539)	(1 673)
Provision for bad debts	(364)	40	(39)	(462)			–	(825)
Unrecovered property costs	(3 225)	656	(1 942)		(439)		–	(4 950)
Other operating costs	(3 144)	153	(2 746)	(877)	(947)	(19 673)	(1 430)	(28 665)
EBITDA	8 129	(3 438)	53 546	2 806	1 336	1 730	(1 908)	62 200
Depreciation, impairment and amortisation	(372)	17	(448)	(72)	45	(2 169)	(7)	(3 006)
Trading profit per entity	7 757	(3 420)	53 098	2 734	1 381	(439)	(1 914)	59 194
Profit on disposal of investment property	(38)	–	1 407		–		–	1 369
Fair value adjustment to investment property	2 913	(2 520)	(11 443)	(2 253)	(4 012)			(17 315)
Profit/(loss) on acquisition/disposal of investments/PPE			8			2		11
Profit/(loss) on acquisition/disposal of subsidiaries/associates			(48)		3 107			3 059
Impairment of goodwill					1 163		(1 279)	(115)
Fair value gain/(loss) on investments	203	–	8 416				155	8 773
Operating profit/(loss)	10 835	(5 940)	51 437	481	1 639	(437)	(3 037)	54 976
Finance income	561	542	346	1 187	280	1	5 057	7 975
Finance cost (notional interest allocation per segment based on debt utilisation)	(5 576)	1 765	(38 519)	(2 155)	(1 096)	(271)	(5 393)	(51 241)
Profit from joint venture		2 473						2 473
Profit from associated companies				13				13
Profit before taxation	5 820	(1 160)	13 264	(474)	824	(707)	(3 373)	14 196
Income tax expense	(1 591)	1 161	(937)	(601)	1 342	158	(196)	(664)
Profit from continuing operations	4 229		12 328	(1 076)	2 165	(549)	(3 568)	13 532
Profit from operations held for distribution							296	296
Profit before non-controlling interest	4 229		12 328	(1 076)	2 165	(549)	(3 273)	13 828
Non-controlling interest			(930)	(36)	237	115	(2)	(616)
Net profit for the year	4 229	–	11 398	(1 112)	2 402	(434)	(3 275)	13 212

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

38. Segment information (continued)

	Property					Serviced Office		
	United Kingdom	IFRS adjustments for Joint Ventures	South Africa	Namibia	Rest of Africa	United Kingdom	Other	Group total
Condensed statement of financial position								
Investment properties	256 676	(61 402)	464 692	40 768	26 475			727 209
Property plant and equipment	642	(71)	3 219	69	67	5 407	2	9 336
Intangible assets	45	—			—	8 035	—	8 080
Derivative financial instruments			8 286					8 286
Financial assets	4 882	—	1 274	53			1 339	7 548
Investments carried at fair value through profit and loss								
Investment in joint ventures	16 446	11 328		1 925				29 699
Investment in associates			313	6 718				7 031
Deferred taxation	1 652	—	6 879	1 003	2 277			11 811
Cash	5 028	(1 175)	3 073	127	3 037	1 811	996	12 896
Assets held for sale			893					893
Other receivables	11 062	(1 462)	5 703	1 076	2 906	7 998	8 953	36 237
Total assets	296 433	(52 782)	494 333	51 739	34 762	23 251	11 289	859 026
Borrowings (notional allocation per segment based on debt utilisation)	147 329	(34 173)	322 365	26 223	9 348	5 464	14 841	491 396
Deferred revenue	1 320	(352)	996		821	3 550		6 335
Deferred tax	2 383	(983)	39 791	2 233	175	17		43 616
Other payables	4 024	(855)	6 472	280	2 379	7 576	771	20 646
Total liabilities	155 056	(36 363)	369 624	28 736	12 722	16 607	15 612	561 994
Non-controlling interest			10 907	20	(933)	9	(133)	9 871
Group borrowings	93 932	(16 599)	(3 112)	12 065	19 588	7 508	(113 382)	—
Shareholders equity	47 445	180	116 914	10 917	3 385	(873)	109 193	287 161
Total equity	141 377	(16 419)	124 709	23 003	22 039	6 644	(4 321)	297 032
								—
Total assets include additions to the following non-current assets:								
Additions to property, plant and equipment	1 675		32	37	61			1 805
Additions to investment properties	3 646		5 041	6 250	283			15 220
Additions to goodwill	10				33			43
Additions to joint ventures	8 190							8 190
Additions to associates								

INTEREST IN SUBSIDIARIES

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

Name of entity	Place of business/ country of incorporation	Issued Share Capital	Percentage shares held by group 2020 %	2019 %	Principal Activities
Tradegro Holdings (Pty) Ltd	Malta/South Africa	ZAR7 877 752	100	100	Investment holding
Tradegro S.àr.l	Luxembourg/Switzerland	£108 217 462	100	100	Investment holding and treasury
Tradegro (UK) Ltd	United Kingdom	£2	100	100	Dormant
United Kingdom subsidiaries					
Moorgarth Holdings (Luxembourg) S.àr.l	Luxembourg	£21 500	100	100	Investment holding
Moorgarth Group Ltd	United Kingdom	£100	100	100	Investment holding and treasury
Inception Holdings S.àr.l	Luxembourg	£12 500	100	100	Property investment
Moorgarth Properties (Luxembourg) S.àr.l	Luxembourg	£15 156 067	100	100	Property investment
St Catherines Perth (I) S.àr.l	Luxembourg	£12 499	100	100	Property investment
London Office S.àr.l	Luxembourg	£3 599 150	100	100	Property investment
Inception Living S.àr.l	Luxembourg	£47 174	100	100	Property investment
The Boutique Workplace Company Ltd	United Kingdom	£1	90	90	Serviced office provider
Ventia Ltd	United Kingdom	£1 050	90	90	Serviced office provider
Queen Street Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
Golden Square Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
St John Street Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
Thomas Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Margaret Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
John Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Queen Street (City) Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Farringdon Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Bedford Square Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Christopher Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Whitefriars Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Southampton Place Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Wimbledon Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Wandle Point Management Ltd	United Kingdom	£100	100	100	Property investment
Moorgarth Maple Ltd (formerly Cairnduff Developments Rutherglen)	United Kingdom	£1	100	100	Property investment
St Catherines Perth (2) S.àr.l	Luxembourg	£1	100	100	Property investment
RSP Investments Ltd	United Kingdom	£1	100	100	Financial investment holding
Moorgarth Property Management Ltd	United Kingdom	£1	100	100	Property management
Moorgarth Site Services Ltd	United Kingdom	£1	100	100	Property management
Moorgarth Properties Ltd	United Kingdom	£1	100	100	Property investment
River Street Properties Ltd	United Kingdom	£3 822 662	100	100	Property investment
The Boutique Retail Company Ltd (formerly Moorgarth Leisure Ltd)	United Kingdom	£1	100	100	Property investment
Moorgarth Property Investments Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Retail Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Living Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Euston Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Maple (Luxembourg) S.àr.l	Luxembourg	£1 100 000	100	100	Investment holding

INTEREST IN SUBSIDIARIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 29 February 2020

Name of entity	Place of business/ country of incorporation	Issued Share Capital	Percentage shares held by group 2020 %	Percentage shares held by group 2019 %	Principal Activities
Africa subsidiaries					
Tradehold Africa Ltd	Mauritius	USD 100	100	100	Investment holding
TC Mozambique Properties Ltd	Mauritius	USD 100	75	75	Investment holding
Tete Hollow Limitada	Mozambique	MZN 50 000	100	100	Property letting
Tradehold Mozambique Limitada	Mozambique	MZN 50 000	75	75	Property letting
Danbury Properties Ltd	Mauritius	USD 100	100	100	Investment holding
First Properties (Pty) Ltd	Zambia	ZMW 500 000	100	100	Property letting
Tete Hollow Mauritius Ltd	Mauritius	USD 100	100	100	Investment holding
TC Tete Properties Ltd	Mauritius	USD 100	75	75	Investment holding
Tradehold API Ltd	Mauritius	USD 200	75	75	Investment holding
Atterbury Matola Mauritius Ltd	Mauritius	USD 100	75	75	Investment holding
Atterbury Pemba Properties Ltd	Mauritius	USD 12	75	75	Investment holding
Atterbury Pemba Mauritius Ltd	Mauritius	USD 2	67	67	Investment holding
Pemba Investment Company Lda	Mozambique	MZN 110 000	68	68	Property letting
Atterbury Matola Lda	Mozambique	MZN 20 000	75	75	Property letting
South Africa subsidiaries					
Collins Property Projects (Pty) Ltd	South Africa	ZAR2 452 186 792	74.3	100	Property management services
Imbali Props 21 (Pty) Ltd	South Africa	ZAR434 647 036	100	100	Property letting
Saddle Path Props 69 (Pty) Ltd	South Africa	ZAR28 384 131	100	100	Property letting
Dimopoint (Pty) Ltd	South Africa	ZAR233 545 200	70	70	Property letting
Applemint 24 (Pty) Ltd	South Africa	ZAR100	68.9	68.9	Property letting
Seculotte Trading 7 (Pty) Ltd	South Africa	ZAR240	50	50.0	Property letting
Colkru Investments (Pty) Ltd	South Africa	ZAR100	90	90.0	Property letting
Colkru Developments (Pty) Ltd	South Africa	ZAR100	75	75.0	Property development
Colkru Mamelodi Investments (Pty) Ltd	South Africa	ZAR100	80	80.0	Property letting
Langa Property Investment (Pty) Ltd	South Africa	ZAR100	100	100.0	Property letting
Ifana Investments (Pty) Ltd	South Africa	ZAR260	50	0	Property letting
Namibia subsidiaries					
Nguni Property Fund Ltd (formerly Safcoll Property Holdings (Pty) Ltd)	Namibia	NAM $100	100	100	Property letting
Nguni Property Developments (Pty) Ltd	Namibia	NAM $100	100	100	Property development
TradeCol Investment Holdings (Pty) Ltd	Namibia	NAM $200	87.5	87.5	Property development
Probo (Pty) Ltd	Namibia	NAM $100	87.5	87.5	Property letting

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.

PROPERTY PORTFOLIO ANALYSIS

As at 29 February 2020

Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
					Industrial: total	1 390 515	82.21%	2.26	6.58%	65.54%	0.67%
United Kingdom											
Wilmingtone Grove, Leeds – car park	May-06	3 470		1 150	Industrial	9 793					
Mozambique											
Angola Avenue Number 2289, Maputo, Mozambique	Jan-17	8 431	Dec-19	10 586	Industrial	12 006					
South Africa											
8th Avenue Industrial Estate, Western Cape	Dec-16	451	Feb-20	499	Industrial	1 410					
Baltex Road 3, KwaZulu-Natal	Dec-16	16 805	Feb-18	13 893	Industrial	35 193					
Benbow Avenue, Western Cape	Dec-16	1 360	Feb-20	1 273	Industrial	3 982					
Cherry Road 2, KwaZulu-Natal	Dec-16	2 611	Feb-19	2 630	Industrial	9 266					
Circuit Road 22-28, KwaZulu-Natal	Dec-16	1 537		1 437	Industrial	4 970					
Circuit Road 32, KwaZulu-Natal	Dec-16	1 005	Feb-19	908	Industrial	2 781					
Cnr Molecule & Uranium Road (Land) – Brakpan, Gauteng	Dec-16	38	Feb-20	188	Industrial	13 017					
Cnr Molecule & Uranium Roads – Brakpan, Gauteng	Dec-16	2 834	Feb-20	2 615	Industrial	18 551					
Cnr Wimbledon & School Roads – Wimbledon CT, Western Cape	Dec-16	2 324	Feb-19	2 271	Industrial	12 430					
Crewe Road 5, KwaZulu-Natal	Dec-16	8 746	Feb-20	8 384	Industrial	25 724					
Culvert Road – De Aar, Northern Cape	Dec-16	304	Feb-20	160	Industrial	4 408					
Dal Josafat, Western Cape	Dec-16	7 203		6 577	Industrial	32 462					
Diesel Road 160, Gauteng	Dec-16	6 848	Feb-20	6 148	Industrial	23 279					
Dodds Street 1, Gauteng	Dec-16	9 564	Feb-19	8 833	Industrial	43 556					
Drakensberg Drive 5, Gauteng	Dec-16	1 197	Feb-18	1 253	Industrial	3 179					
du Plessis Road 5, Gauteng	Dec-16	17 059	Feb-18	15 186	Industrial	69 452					
Edison Place 05, KwaZulu-Natal	Dec-16	329	Feb-19	359	Industrial	1 631					
Edmund Morewood Road 12, KwaZulu-Natal	Dec-16	1 168	Feb-19	863	Industrial	6 984					
Elgin Road – Pomona, Gauteng	Dec-16	5 275	Feb-19	4 900	Industrial	11 094					
Elmfield Place 07, KwaZulu-Natal	Dec-16	1 258	Feb-20	1 263	Industrial	4 100					
Emmanuel Road, Gauteng	Dec-16	6 825		6 388	Industrial	20 192					
Fibres Road 300, KwaZulu-Natal	Dec-16	32 125	Feb-18	32 702	Industrial	69 866					
Geleirgang Road 14, KwaZulu-Natal	Dec-16	877	Feb-20	873	Industrial	17 110					
Goodenough Avenue, Western Cape	Dec-16	9 918	Feb-20	9 192	Industrial	38 035					
Goodwood Road 62, KwaZulu-Natal	Dec-16	1 167	Feb-19	1 118	Industrial	2 682					
Gosforth Park – Massmart, Gauteng	Dec-16	39 909	Feb-20	48 456	Industrial	70 273					
Gosforth Park – Sasol, Gauteng	Dec-16	7 617	Feb-18	10 001	Industrial	18 907					
Halifax Road 49, KwaZulu-Natal	Dec-16	5 609	Feb-20	4 157	Industrial	15 904					
Immelman Road – Wadeville, Gauteng	Dec-16	941	Feb-20	1 370	Industrial	5 376					
Joist Street – Isando, Gauteng	Dec-16	4 090	Feb-19	2 131	Industrial	6 046					
Joyner Road 23, KwaZulu-Natal	Dec-16	2 098	Feb-20	2 540	Industrial	7 407					
Joyner Road 31, KwaZulu-Natal	Dec-16	1 229	Feb-20	845	Industrial	2 799					
Joyner Road 6 – Isipingo, KwaZulu-Natal	Dec-16	2 632	Feb-19	3 293	Industrial	9 767					
Jurie Street 10 & 12 – Alrode Alberton, Gauteng	Dec-16	1 833	Feb-20	2 054	Industrial	13 012					
Kitshoff Road – Rosslyn Gauteng, Gauteng	Dec-16	1 029	Feb-19	1 260	Industrial	7 054					
Kubu Ave 52, KwaZulu-Natal	Dec-16	1 650	Feb-19	1 452	Industrial	4 203					
Laing Street 78 – George, Western Cape	Dec-16	221	Feb-20	240	Industrial	1 518					
Lily Van Niekerk Road – Boksburg East, Gauteng	Dec-16	1 187	Feb-20	1 488	Industrial	6 687					
Main Reef Road 138, Gauteng	Dec-16	782	Feb-20	624	Industrial	6 069					
Malone Road 19 – Pinetown, KwaZulu-Natal	Dec-16	1 942	Feb-19	1 664	Industrial	7 145					

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 29 February 2020

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
Marthunisen Road (Erf 1530) – Roodekop, Gauteng	Dec-16	2 372	Feb-19	3 301	Industrial	15 526					
Marthunisen Road (Erf 3343) – Roodekop, Gauteng	Dec-16	4 116	Feb-19	4 912	Industrial	18 757					
Marthunisen Road (Erf3380) – Roodekop, Gauteng	Dec-16	10 754	Feb-19	11 644	Industrial	68 498					
Merlin Drive 2 – Parkhaven Boksburg, Gauteng	Dec-16	4 635	Feb-19	5 160	Industrial	5 992					
Mill Street 15 – Bloemfontein, Other	Dec-16	186	Feb-19	131	Industrial	2 547					
Morewood Road 20-34, KwaZulu-Natal	Dec-16	10 030	Feb-18	11 069	Industrial	57 154					
Ndlovu Park (Unilever), KwaZulu-Natal	Dec-16	22 078	Jun-18	21 503	Industrial	59 071					
Nicholson Road 6, KwaZulu-Natal	Dec-16	1 419		1 312	Industrial	6 234					
Nobel Boulevard, Gauteng	Dec-16	10 356		9 217	Industrial	84 406					
Potgieter Street – Alrode Alberton, Gauteng	Dec-16	5 937	Feb-19	5 473	Industrial	33 787					
Power Street – Germiston, Gauteng	Dec-16	1 996	Feb-20	1 918	Industrial	12 598					
Prospecton Road 23, KwaZulu-Natal	Dec-16	3 102	Feb-20	3 019	Industrial	8 420					
Pullinger Road 14/15 – Westonaria, Gauteng	Dec-16	426	Feb-20	459	Industrial	2 296					
Riana Road 6 – Rocky Drift White River, Other	Dec-16	168	Feb-19	126	Industrial	1 614					
Richard Carte Road 25, KwaZulu-Natal	Dec-16	11 958	Feb-18	11 163	Industrial	33 845					
Roan Crescent, Gauteng	Dec-16	2 778	Feb-18	3 059	Industrial	8 596					
Samrand Avenue West – Rossway Midrand, Gauteng	Dec-16	3 232	Feb-19	3 700	Industrial	15 544					
Setchel Road 05, Gauteng	Dec-16	2 033	Feb-20	1 457	Industrial	38 426					
Setchell Road – Roodekop, Gauteng	Dec-16	8 716	Feb-19	9 466	Industrial	51 680					
Shepstone & Henwood Road, KwaZulu-Natal	Dec-16	2 962	Feb-19	3 069	Industrial	11 767					
Spanner Road 41, Gauteng	Dec-16	6 085	Feb-20	5 439	Industrial	25 085					
Spartan Cresent, Gauteng	Dec-16	1 114	Feb-19	1 228	Industrial	3 428					
Steele Street 18 – Steeledale Alberton, Gauteng	Dec-16	1 314	Feb-19	1 105	Industrial	7 877					
Tom Muller Drive 2 – Meyerton, Gauteng	Dec-16	1 357	Feb-20	1 446	Industrial	9 138					
Uitenhage Road – Struandale PE, Eastern Cape	Dec-16	4 898	Feb-19	5 887	Industrial	30 193					
Van der Bijl Road 30 – Westonaria, Gauteng	Dec-16	1 209	Feb-20	1 295	Industrial	13 020					
Walter Hall Road 4 (GKN), KwaZulu-Natal	Dec-16	1 432	Feb-19	1 233	Industrial	12 713					
Walter Reid Road 09, KwaZulu-Natal	Dec-16	6 453	Feb-20	8 893	Industrial	57 199					
Walter Reid Road 13, KwaZulu-Natal	Dec-16	2 529	Feb-20	1 906	Industrial	10 159					
Wiganthorpe Road 17, KwaZulu-Natal	Dec-16	209	Feb-20	182	Industrial	1 100					
Wiganthorpe Road 27, KwaZulu-Natal	Dec-16	426	Feb-18	489	Industrial	1 548					
Woodlands Drive 12, KwaZulu-Natal	Dec-16	498	Feb-20	439	Industrial	2 977					
					Leisure: total	10 511	0.62%	7.91	0.00%	1.37%	17.02%
United Kingdom											
Cookridge Street, Leeds	Sep-06	2 752	Aug-17	2 903	Leisure	617					
Bolton – Ikon	Dec-15	247			Leisure						
Market Place, Bolton					Leisure	6 926					
25 Lime St, London					Leisure	133					
Ogden Road Industrial Estate, Doncaster					Leisure	2 835					

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
					Offices: total	58 652	3.47%	5.60	5.49%	7.03%	7.54%
United Kingdom											
Cookridge Street, Leeds					Offices	585					
Grays Inn, London	Jun-14	6 628	Aug-17	10 100	Offices	672					
Tagwright House	Dec-14		Aug-17		Offices	619					
25 Lime St, London	Dec-14	6 424	Feb-19	10 623	Offices	841					
24 Lime St, London	Apr-14	5 758	Feb-19	10 134	Offices	619					
Park Place, Leeds	Apr-15	786	Aug-17	1 392	Offices	541					
Central House, Leeds (reallocated to Property, plant and equipment)	Dec-14	1 603			Offices	942					
Wigmore Street, London	Apr-14	5 360	Aug-17	7 000	Offices	418					
Westbourne Centre, Barrhead	Jan-00		Dec-17		Offices	1 304					
Carter Lane, London	Feb-17	11 661	Sep-18	16 200	Offices	1 301					
Connolly Works, London	Oct-17	13 350	Feb-19	19 400	Offices	1 586					
South Africa											
Alice Street, Eastern Cape	Dec-16	532	Feb-20	274	Offices	863					
Berg Street 169, KwaZulu-Natal	Dec-16	1 155	Feb-19	604	Offices	1 878					
Burger Street 217, KwaZulu-Natal	Dec-16	893	Feb-18	454	Offices	1 399					
Bush Shrike VCC 6, KwaZulu-Natal	Dec-16	1 171	Feb-20	853	Offices	1 000					
Henwood Road 28, KwaZulu-Natal	Dec-16	2 438	Feb-19	1 572	Offices	6 072					
Jabu Ndlovu Street 166, KwaZulu-Natal	Dec-16	1 465	Feb-17	399	Offices under construction	2 226					
Jeffares and Green Office Block, KwaZulu-Natal	Dec-16	3 316	Feb-18	2 186	Offices	2 587					
Kings Road 36, KwaZulu-Natal	Dec-16	1 708	Feb-20	1 372	Offices	3 960					
Mondi Park, KwaZulu-Natal	Dec-16	2 268	Feb-20	1 587	Offices	1 998					
Pin Oak Park, KwaZulu-Natal	Dec-16	1 335	Feb-19	684	Offices	1 774					
Pin Oak Parking, KwaZulu-Natal	Feb-19	109		109	Offices						
Platinum Drive 1, Gauteng	Dec-16	3 021	Feb-19	3 368	Offices	6 888					
Ridgeside Office Park, KwaZulu-Natal	Dec-16	6 509	Feb-18	4 102	Offices	4 851					
Sarlin, KwaZulu-Natal	Dec-16	2 010	Feb-19	1 981	Offices	2 910					
The Quarry Office Park, KwaZulu-Natal	Dec-16	983	Feb-20	1 000	Offices	1 774					
Vryheid – 15 Stretch Crescent, KwaZulu-Natal	Dec-16	711	Feb-18	394	Offices	1 372					
DeTijger Business Park Medical Suites	Jan-18	4 830			Offices	1 125					
DeTijger Business Park	Jan-18	11	Feb-20	4 691	Offices	5 448					
Cure Day Clinic, Wilgeheuwel, Gauteng	Aug-19	1 777		1 777	Offices	1 101					
					Retail: total	228 625	13.29%	6.24	4.67%	25.01%	6.62%
United Kingdom											
Ogden Road Industrial Estate, Doncaster	Dec-06	3 465	Aug-17	3 197	Retail	3 351					
Westbourne Centre, Barrhead	Oct-05	4 050	Dec-17	1 394	Retail	2 001					
Bitterne, Southampton	Sep-04	1 756	Aug-17	2 126	Retail	1 563					
High Street, Bromsgrove	Sep-04	1 272	Aug-17	823	Retail	1 703					
24 Lime St, London	Dec-14		Feb-19		Retail	244					
25 Lime St, London	Apr-14		Feb-19		Retail	17					
St Catherine's Perth	Jun-11	12 132	Aug-17	3 713	Retail	6 039					
Market Place, Bolton	Nov-13	24 860	Feb-20	55 207	Retail	30 147					
Rutherglen	May-12	7 700	Feb-20	11 859	Retail	9 633					
Zambia											
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 454		2 715	Retail	5 412					
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 416		6	Retail	1 640					
Mozambique											
Pemba shopping centre	Jan-17		Jun-19	9 505	Retail	6 041					
Pemba property				783	Retail under construction	3 772					

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 29 February 2020

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
Namibia											
Rundu Shopping Mall, Rundu	Mar-15	11 271	Feb-20	10 604	Retail	13 595					
Mega Centre, Windhoek	Mar-15	7 934	Feb-20	8 159	Retail	17 684					
Mutual Platz, Windhoek	Mar-15	14 480	Feb-20	10 729	Retail	16 223					
M&Z Ondangwa	Mar-15	660	Feb-20	655	Retail	2 128					
Gobabis Shopping Centre	Mar-18	1 123		6 926	Retail	10 215					
South Africa											
Church Street 178, KwaZulu-Natal	Dec-16	222	Feb-17	220	Retail	398					
Church Street 180, KwaZulu-Natal	Dec-16	665	Feb-20	459	Retail	887					
Church Street 182, KwaZulu-Natal	Dec-16	262	Feb-20	484	Retail	973					
Church Street 184, KwaZulu-Natal	Dec-16	480	Feb-18	524	Retail	623					
Church Street 199, KwaZulu-Natal	Dec-16	475	Feb-19	479	Retail	1 108					
Church Street 226, KwaZulu-Natal	Dec-16	285	Feb-17	140	Retail	605					
Church Street 228, KwaZulu-Natal	Dec-16	471	Feb-20	240	Retail	310					
Church Street 239, KwaZulu-Natal	Dec-16	935	Feb-17	719	Retail	1 200					
Church Street 240, KwaZulu-Natal	Dec-16	690	Feb-20	459	Retail	496					
Church Street 257 (Compen), KwaZulu-Natal	Dec-16	512	Feb-19	704	Retail	801					
Church Street 418, KwaZulu-Natal	Dec-16	236	Feb-20	253	Retail	1 256					
Church Street 428, KwaZulu-Natal	Dec-16	329	Feb-18	474	Retail	678					
Eagle Avenue & Iris Road, KwaZulu-Natal	Dec-16	1 015	Feb-20	299	Retail	3 026					
Ezulwini Royal Shopping Centre, KwaZulu-Natal	Dec-16	1 871	Feb-20	1 672	Retail	4 476					
Greyling Street 185, KwaZulu-Natal	Dec-16	300	Feb-20	434	Retail	1 316					
Greyling Street 201, KwaZulu-Natal	Dec-16	1 159	Feb-18	1 128	Retail	3 033					
Greyling Street 216, KwaZulu-Natal	Dec-16	131	Feb-20	153	Retail	485					
Mackeurtan Avenue 05-17, KwaZulu-Natal	Dec-16	1 758	Feb-19	1 976	Retail	959					
Mackeurtan Avenue 08-12, KwaZulu-Natal	Dec-16	1 488	Feb-20	1 482	Retail	1 337					
Mackeurtan Avenue 21-23, KwaZulu-Natal	Dec-16	841	Feb-20	604	Retail	630					
Mackeurtan Avenue 33, KwaZulu-Natal	Dec-16	2 021	Feb-18	1 752	Retail	2 489					
Main Street – Nongoma, KwaZulu-Natal	Dec-16	1 427	Feb-20	1 517	Retail	3 729					
Matatiele – Boxer Centre, Eastern Cape	Dec-16	4 525	Feb-18	4 761	Retail	6 743					
Matatiele – Market Square, Eastern Cape	Dec-16	1 971	Feb-20	1 792	Retail	3 146					
Mpumalanga West, Mpumalanga	Dec-16	1 044	Feb-20	1 133	Retail	2 467					
Nodwengu Shopping Centre, KwaZulu-Natal	Dec-16	2 185	Feb-17	2 909	Retail	3 966					
Nongoma Spar Shopping Centre, KwaZulu-Natal	Feb-20	2 445		2 445	Retail	4 161					
Nquthu Shopping Centre, KwaZulu-Natal	Dec-16	2 617	Feb-20	1 552	Retail	4 895					
Roodepoort – Lambert and van Wyk Street, Gauteng	Dec-16	1 299	Feb-20	1 642	Retail	6 222					
Ulundi – Rhino, KwaZulu-Natal	Dec-16	1 822	Feb-20	1 505	Retail	2 772					
Victoria Road 186 and 188, KwaZulu-Natal	Dec-16	669	Feb-20	619	Retail	2 210					
Victoria Road 241, KwaZulu-Natal	Dec-16	3 714	Feb-20	2 892	Retail	10 665					
West Street 448, KwaZulu-Natal	Dec-16	1 915	Feb-20	1 537	Retail	1 485					
West Street 452, KwaZulu-Natal	Dec-16	2 991	Feb-20	2 510	Retail	3 235					
Washington Street (Langa), Western Cape	Apr-19	1 273		1 273	Retail	2 277					
Nkandla Shopping Centre, KwaZulu-Natal	Apr-18	739		739	Retail	1 514					
Nquthu Spar Shopping Centre, KwaZulu-Natal	Oct-19	1 712		1 712	Retail	3 147					
Mamelodi, Gauteng		50		50	Retail under construction						
Eyethu Junction Centre, Madadeni, KwaZulu-Natal	Nov-19	3 897		3 897	Retail	7 498					
Pontac Park, Western Cape		93		93	Retail under construction						

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
					Residential: total	6 813	0.40%	8.21	0.00%	1.04%	76.28%
United Kingdom											
Tagwright House	Dec-14	13 370	Aug-17	18 245	Residential	1 086					
119-125 Marygate, Berwick upon Tweed	Oct-03	387		75	Residential	197					
Avonview Apartments, London	Jul-16	5 134	Aug-17	5 200	Residential	530					
Mozambique											
Tete Hollow, Tete	Mar-15	2 220		127	Residential	5 000					
South Africa											
Mzuri Residential, Somerset West, Western Cape				9 146	Residential under construction						
				679 506		1 695 116	100%			100%	2.11%
The average annualised gross rental yield of the above properties amounts to				8.98%							

Tenant profile	%
A – Large nationals, large listeds,and major franchisees	34.1%
B – Government	3.4%
C – Nationals, listeds, franchisees	12.5%
D – Medium to large professional firms	4.7%
E – Private commercial tenants	42.2%
F – Private residential tenants	3.1%
	100%

Lease expiry profile based on revenue	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	2.9%	3.4%	7.8%	51.5%
Leisure	0.0%	0.0%	0.0%	1.4%
Offices	0.8%	1.9%	1.1%	3.1%
Retail	5.4%	4.8%	2.6%	12.3%
Residential	0.7%	0.3%	0.0%	0.0%
	9.8%	10.4%	11.5%	68.3%

Lease expiry profile based on gross lettable area	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	10.1%	4.6%	8.1%	59.3%
Leisure	0.1%	0.0%	0.0%	0.5%
Offices	1.1%	0.7%	0.4%	1.3%
Retail	2.3%	2.2%	1.4%	7.4%
Residential	0.4%	0.0%	0.0%	0.0%
	14.1%	7.5%	9.9%	68.6%

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 28 February 2019

Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
					Industrial: total	1 465 245	82.79%	2.23	6.38%	64.32%	0.97%
United Kingdom											
Wilmingtone Grove, Leeds – car park	May-06	3 470		1 150	Industrial	9 793					
Mozambique											
8th Avenue Industrial Estate, Western Cape	Jan-17	8 431	Feb-19	9 906	Industrial	12 006					
South Africa											
8th Avenue Industrial Estate, Western Cape	Dec-16	451	Feb-17	513	Industrial	1 410					
Baltex Road 3, KwaZulu-Natal	Dec-16	16 805	Feb-18	19 118	Industrial	35 193					
Benbow Avenue, Western Cape	Dec-16	1 360		1 305	Industrial	3 982					
Bougainvillia Road 19 and 21, KwaZulu-Natal	Dec-16	1 828	Feb-19	1 599	Industrial	31 290					
Cherry Road 2, KwaZulu-Natal	Dec-16	2 611	Feb-19	2 971	Industrial	8 466					
Circuit Road 22-28, KwaZulu-Natal	Dec-16	1 537		1 462	Industrial	4 970					
Circuit Road 32, KwaZulu-Natal	Dec-16	1 005	Feb-19	985	Industrial	2 781					
Cnr Molecule & Uranium Road (Land) – Brakpan, Gauteng	Dec-16	38	Feb-19	216	Industrial	13 017					
Cnr Molecule & Uranium Roads – Brakpan, Gauteng	Dec-16	2 834	Feb-19	3 089	Industrial	18 551					
Cnr Nobel & Price Streets, Gauteng	Dec-16	2 363	Feb-19	2 180	Industrial	14 348					
Cnr Wimbledon & School Roads – Wimbledon CT, Western Cape	Dec-16	2 324	Feb-19	2 540	Industrial	12 430					
Crewe Road 5, KwaZulu-Natal	Dec-16	8 746		8 318	Industrial	25 724					
Culvert Road – De Aar, Northern Cape	Dec-16	304	Feb-19	222	Industrial	4 408					
Dal Josafat, Western Cape	Dec-16	7 203		6 847	Industrial	32 462					
Diesel Road 160, Gauteng	Dec-16	6 848		6 511	Industrial	23 279					
Dodds Street 1, Gauteng	Dec-16	9 564	Feb-19	8 628	Industrial	43 556					
Drakensberg Drive 5, Gauteng	Dec-16	1 197	Feb-18	1 309	Industrial	3 179					
du Plessis Road 5, Gauteng	Dec-16	17 059	Feb-18	16 254	Industrial	69 452					
Edison Place 05, KwaZulu-Natal	Dec-16	329	Feb-19	377	Industrial	1 631					
Edmund Morewood Road 12, KwaZulu-Natal	Dec-16	1 168	Feb-19	732	Industrial	6 984					
Elgin Road – Pomona, Gauteng	Dec-16	5 275	Feb-19	5 102	Industrial	11 094					
Elmfield Place 07, KwaZulu-Natal	Dec-16	1 258	Feb-17	1 206	Industrial	4 100					
Emmanuel Road, Gauteng	Dec-16	6 825		6 501	Industrial	20 192					
Fibres Road 300, KwaZulu-Natal	Dec-16	32 125	Feb-18	32 883	Industrial	69 866					
Geleirgang Road 14, KwaZulu-Natal	Dec-16	877	Feb-17	1 056	Industrial	17 110					
Gillitts Road 68 – Pinetown, KwaZulu-Natal	Dec-16	1 222	Feb-18	1 401	Industrial	7 841					
Goodenough Avenue, Western Cape	Dec-16	9 918		9 466	Industrial	38 035					
Goodwood Road 62, KwaZulu-Natal	Dec-16	1 167	Feb-19	1 125	Industrial	2 682					
Gosforth Park – Massmart, Gauteng	Dec-16	39 909	Feb-17	44 415	Industrial	70 273					
Gosforth Park – Sasol, Gauteng	Dec-16	7 617	Feb-18	9 967	Industrial	18 907					
Greigcol, KwaZulu-Natal	Dec-16	248	Feb-17	218	Industrial	1 053					
Halifax Road 49, KwaZulu-Natal	Dec-16	5 609	Feb-17	5 292	Industrial	15 904					
Immelman Road – Wadeville, Gauteng	Dec-16	941	Feb-19	1 390	Industrial	5 376					
Joist Street – Isando, Gauteng	Dec-16	4 090	Feb-19	2 056	Industrial	6 046					
Joyner Road 23, KwaZulu-Natal	Dec-16	2 098	Feb-17	2 490	Industrial	7 407					
Joyner Road 31, KwaZulu-Natal	Dec-16	1 229	Feb-17	960	Industrial	2 799					
Joyner Road 6 – Isipingo, KwaZulu-Natal	Dec-16	2 632	Feb-19	3 311	Industrial	9 767					
Jurie Street 10 & 12 – Alrode Alberton, Gauteng	Dec-16	1 833	Feb-19	2 094	Industrial	13 012					

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
Kitshoff Road – Rosslyn Gauteng, Gauteng	Dec-16	1 029	Feb-19	1 200	Industrial	7 054					
Kubu Ave 52, KwaZulu-Natal	Dec-16	1 650	Feb-19	1 690	Industrial	4 203					
Laing Street 78 – George, Western Cape	Dec-16	221	Feb-17	255	Industrial	1 518					
Lily Van Niekerk Road – Boksburg East, Gauteng	Dec-16	1 187	Feb-17	1 227	Industrial	6 687					
Lincoln Road – Benoni South, Gauteng	Dec-16	2 042	Feb-19	2 228	Industrial	13 702					
Main Reef Road 138, Gauteng	Dec-16	782	Feb-17	325	Industrial	6 371					
Malone Road 19 – Pinetown, KwaZulu-Natal	Dec-16	1 942	Feb-19	2 411	Industrial	7 145					
Marthunisen Road (Erf 1530) – Roodekop, Gauteng	Dec-16	2 372	Feb-19	3 133	Industrial	15 526					
Marthunisen Road (Erf 3343) – Roodekop, Gauteng	Dec-16	4 116	Feb-19	4 785	Industrial	18 757					
Marthunisen Road (Erf3380) – Roodekop, Gauteng	Dec-16	10 754	Feb-19	12 762	Industrial	68 498					
Merlin Drive 2 – Parkhaven Boksburg, Gauteng	Dec-16	4 635	Feb-19	5 097	Industrial	5 992					
Mill Street 15 – Bloemfontein, Other	Dec-16	186	Feb-19	204	Industrial	2 547					
Morewood Road 20-34, KwaZulu-Natal	Dec-16	10 030	Feb-18	11 319	Industrial	57 154					
Ndlovu Park (Unilever), KwaZulu-Natal	Dec-16	22 078	Jun-18	22 614	Industrial	59 071					
Nicholson Road 6, KwaZulu-Natal	Dec-16	1 419		1 356	Industrial	6 234					
Nobel Boulevard, Gauteng	Dec-16	10 356		9 914	Industrial	84 406					
Potgieter Street – Alrode Alberton, Gauteng	Dec-16	5 937	Feb-19	6 560	Industrial	33 787					
Power Street – Germiston, Gauteng	Dec-16	1 996	Feb-19	2 011	Industrial	12 598					
Prospecton Road 23, KwaZulu-Natal	Dec-16	3 102	Feb-17	2 944	Industrial	8 420					
Pullinger Road 14/15 – Westonaria, Gauteng	Dec-16	426	Feb-17	463	Industrial	2 296					
Riana Road 6 – Rocky Drift White River, Other	Dec-16	168	Feb-19	203	Industrial	1 614					
Richard Carte Road 25, KwaZulu-Natal	Dec-16	11 958	Feb-18	11 380	Industrial	33 845					
Roan Crescent, Gauteng	Dec-16	2 778	Feb-18	3 392	Industrial	8 596					
Samrand Avenue West – Rossway Midrand, Gauteng	Dec-16	3 232	Feb-19	3 504	Industrial	15 544					
Setchel Road 05, Gauteng	Dec-16	2 033	Feb-17	2 484	Industrial	38 426					
Setchell Road – Roodekop, Gauteng	Dec-16	8 716	Feb-19	10 270	Industrial	51 680					
Shepstone & Henwood Road, KwaZulu-Natal	Dec-16	2 962	Feb-19	3 138	Industrial	11 767					
Spanner Road 41, Gauteng	Dec-16	6 085		5 818	Industrial	25 085					
Spartan Cresent, Gauteng	Dec-16	1 114	Feb-19	1 238	Industrial	3 428					
Steele Street 18 – Steeledale Alberton, Gauteng	Dec-16	1 314	Feb-19	1 527	Industrial	7 877					
Tannery Road 1, Default Area Code	Dec-16	712	Feb-19	484	Industrial	6 970					
Tom Muller Drive 2 – Meyerton, Gauteng	Dec-16	1 357	Feb-19	1 531	Industrial	9 138					
Uitenhage Road – Struandale PE, Eastern Cape	Dec-16	4 898	Feb-19	5 250	Industrial	30 193					
Van der Bijl Road 30 – Westonaria, Gauteng	Dec-16	1 209	Feb-19	1 332	Industrial	13 020					
Walter Hall Road 4 (GKN), KwaZulu-Natal	Dec-16	1 432	Feb-19	1 448	Industrial	12 713					
Walter Reid Road 09, KwaZulu-Natal	Dec-16	6 453	Feb-17	8 239	Industrial	57 223					
Walter Reid Road 13, KwaZulu-Natal	Dec-16	2 529	Feb-17	2 877	Industrial	10 159					
Wiganthorpe Road 17, KwaZulu-Natal	Dec-16	209	Feb-17	228	Industrial	1 100					
Wiganthorpe Road 27, KwaZulu-Natal	Dec-16	426	Feb-18	485	Industrial	1 548					
Woodlands Drive 12, KwaZulu-Natal	Dec-16	498	Feb-17	432	Industrial	2 977					

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 28 February 2019

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
					Leisure: total	14 779	0.83%	7.54	0.57%	1.97%	7.38%
United Kingdom											
Cookridge Street, Leeds					Leisure	617					
Bolton – Ikon	Dec-15	247		259	Leisure						
Market Place, Bolton					Leisure	7 224					
25 Lime St, London					Leisure	133					
Zambia											
Plot 9, Cairo Road, Lusaka, Zambia	Mar-15	1 916		1 582	Leisure	6 805					
					Offices: total	60 490	3.42%	6.50	4.48%	7.91%	13.33%
United Kingdom											
Cookridge Street, Leeds	Sep-06	2 752	Aug-17	2 781	Offices	585					
Grays Inn, London	Jun-14	6 628	Aug-17	10 100	Offices	672					
Tagwright House	Dec-14				Offices	619					
25 Lime St, London	Dec-14	6 424	Feb-19	10 642	Offices	841					
24 Lime St, London	Apr-14	5 758	Feb-19	10 058	Offices	619					
Park Place, Leeds	Apr-15	786	Aug-17	1 160	Offices	541					
Central House, Leeds	Dec-14	1 603	Aug-17	3 110	Offices	942					
Wigmore Street, London	Apr-14	5 360	Aug-17	7 000	Offices	418					
Westbourne Centre, Barrhead	Oct-05	4 050	Dec-17	1 400	Offices	1 304					
Carter Lane, London	Feb-17	11 661	Sep-18	16 200	Offices	1 301					
Connolly Works, London	Oct-17	13 350	Feb-19	16 169	Offices	1 586					
South Africa											
Alice Street, Eastern Cape	Dec-16	532	Feb-17	535	Offices	863					
Berg Street 169, KwaZulu-Natal	Dec-16	1 155	Feb-19	872	Offices	1 878					
Burger Street 217, KwaZulu-Natal	Dec-16	893	Feb-18	768	Offices	1 399					
Bush Shrike VCC 6, KwaZulu-Natal	Dec-16	1 171	Feb-17	925	Offices	1 000					
Grahamstown – Rautenbach Rd, Eastern Cape	Dec-16	970	Feb-18	1 346	Offices	1 022					
Henwood Road 28, KwaZulu-Natal	Dec-16	2 438	Feb-19	1 782	Offices	6 072					
Jabu Ndlovu Street 166, KwaZulu-Natal	Dec-16	1 465	Feb-17	980	Offices	2 226					
Jeffares and Green Office Block, KwaZulu-Natal	Dec-16	3 316	Feb-18	2 211	Offices	2 587					
Kings Road 36, KwaZulu-Natal	Dec-16	1 708	Feb-17	1 342	Offices	3 960					
Mondi Park, KwaZulu-Natal	Dec-16	2 268	Feb-17	1 658	Offices	1 998					
Pin Oak Park, KwaZulu-Natal	Dec-16	1 335	Feb-19	883	Offices	1 774					
Pin Oak Parking, KwaZulu-Natal	Feb-19	117		117	Offices						
Platinum Drive 1, Gauteng	Dec-16	3 021	Feb-19	3 541	Offices	6 888					
Ridgeside Office Park, KwaZulu-Natal	Dec-16	6 509	Feb-18	6 019	Offices	4 024					
Sarlin, KwaZulu-Natal	Dec-16	2 010	Feb-19	2 153	Offices	2 960					
Strand Rd 14, Western Cape	Dec-16	3 186		2 180	Offices	3 759					
The Quarry Office Park, KwaZulu-Natal	Dec-16	983	Feb-17	836	Offices	1 503					
Unit 5 Quarry Office Park, KwaZulu-Natal	Dec-16	257	Feb-17	289	Offices	332					
Vryheid – 15 Stretch Crescent, KwaZulu-Natal	Dec-16	711	Feb-18	780	Offices	1 372					
DeTijger Business Park Medical Suites	Jan-18	4 830		5 019	Offices	1 125					
DeTijger Business Park	Jan-18	11		20	Offices	4 323					

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		(£’000)		(£’000)		(sq m)	(%)	(£)	(%)	(%)	(%)
					Retail: total	222 610	12.58%	6.42	4.32%	24.70%	8.84%
United Kingdom											
Ogden Road Industrial Estate, Doncaster	Dec-06	3 465	Aug-17	3 003	Retail	6 187					
Westbourne Centre, Barrhead	Oct-05				Retail	2 001					
Bitterne, Southampton	Sep-04	1 756	Aug-17	2 165	Retail	1 563					
High Street, Bromsgrove	Sep-04	1 272	Aug-17	940	Retail	1 703					
High Street, Johnstone	Oct-03	335		340	Retail	626					
24 Lime St, London	Dec-14				Retail	244					
25 Lime St, London	Apr-14				Retail	17					
St Catherine’s Perth	Jun-11	12 132	Aug-17	11 000	Retail	6 039					
Market Place, Bolton	Nov-13	24 860	Feb-19	61 910	Retail	29 850					
Rutherglen	May-12	7 700	Dec-17	12 312	Retail	9 633					
Zambia											
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 454	Feb-19	2 439	Retail	3 009					
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 416	Feb-19	819	Retail	1 736					
Botswana											
Lot 1232, Maun, Botswana	Mar-15	587	Feb-19	669	Retail	816					
Mozambique											
Pemba Investment Company Limitada property	Jan-17		Feb-19	10 173	Retail	8 422					
Namibia											
Rundu Shopping Mall, Rundu	Mar-15	11 271	Sep-17	12 103	Retail	13 595					
Mega Centre, Windhoek	Mar-15	7 934	Sep-17	8 712	Retail	17 684					
Mutual Platz, Windhoek	Mar-15	14 480	Sep-17	12 181	Retail	16 223					
M&Z Ondangwa	Mar-15	660	Sep-17	708	Retail	2 128					
Gobabis Shopping Centre	Mar-18	1 123		7 064	Retail	10 215					
South Africa											
Church Street 178, KwaZulu-Natal	Dec-16	222	Feb-17	242	Retail	398					
Church Street 180, KwaZulu-Natal	Dec-16	665	Feb-17	481	Retail	887					
Church Street 182, KwaZulu-Natal	Dec-16	262	Feb-17	507	Retail	973					
Church Street 184, KwaZulu-Natal	Dec-16	480	Feb-18	495	Retail	623					
Church Street 199, KwaZulu-Natal	Dec-16	475	Feb-19	538	Retail	1 108					
Church Street 226, KwaZulu-Natal	Dec-16	285	Feb-17	425	Retail	605					
Church Street 228, KwaZulu-Natal	Dec-16	471	Feb-17	446	Retail	773					
Church Street 239, KwaZulu-Natal	Dec-16	935	Feb-17	760	Retail	1 200					
Church Street 240, KwaZulu-Natal	Dec-16	690	Feb-17	689	Retail	496					
Church Street 257 (Compen), KwaZulu-Natal	Dec-16	512	Feb-19	724	Retail	801					
Church Street 418, KwaZulu-Natal	Dec-16	236	Feb-17	271	Retail	1 256					
Church Street 428, KwaZulu-Natal	Dec-16	329	Feb-18	464	Retail	678					
Eagle Avenue & Iris Road, KwaZulu-Natal	Dec-16	1 015	Feb-17	323	Retail	3 026					
Ezulwini Royal Shopping Centre, KwaZulu-Natal	Dec-16	1 871	Feb-17	1 747	Retail	4 476					
Graaff Reinet, Eastern Cape	Dec-16	460	Feb-17	213	Retail	1 856					
Greyling Street 185, KwaZulu-Natal	Dec-16	300	Feb-17	449	Retail	1 316					
Greyling Street 201, KwaZulu-Natal	Dec-16	1 159	Feb-18	1 207	Retail	3 033					
Greyling Street 216, KwaZulu-Natal	Dec-16	131	Feb-17	186	Retail	485					
Howick Ave 5, Gauteng	Dec-16	3 980	Feb-18	2 045	Retail	6 171					
Mackeurtan Avenue 05-17, KwaZulu-Natal	Dec-16	1 758	Feb-19	1 846	Retail	958					
Mackeurtan Avenue 08-12, KwaZulu-Natal	Dec-16	1 488	Feb-17	1 269	Retail	1 366					
Mackeurtan Avenue 21-23, KwaZulu-Natal	Dec-16	841	Feb-17	813	Retail	630					
Mackeurtan Avenue 33, KwaZulu-Natal	Dec-16	2 021	Feb-18	2 532	Retail	2 489					

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 28 February 2019

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
Main Street – Nongoma, KwaZulu-Natal	Dec-16	1 427	Feb-17	1 540	Retail	3 729					
Matatiele – Boxer Centre, Eastern Cape	Dec-16	4 525	Feb-18	5 050	Retail	6 743					
Matatiele – Market Square, Eastern Cape	Dec-16	1 971	Feb-17	1 994	Retail	3 165					
Mpumalanga West, Mpumalanga	Dec-16	1 044	Feb-17	1 194	Retail	2 467					
Nodwengu Shopping Centre, KwaZulu-Natal	Dec-16	2 185	Feb-17	2 737	Retail	3 966					
Nquthu Shopping Centre, KwaZulu-Natal	Dec-16	2 617	Feb-17	2 856	Retail	4 895					
Roodepoort – Lambert and van Wyk Street, Gauteng	Dec-16	1 299	Feb-17	1 446	Retail	6 222					
Ulundi – Rhino, KwaZulu-Natal	Dec-16	1 822	Feb-17	1 676	Retail	2 772					
Victoria Road 186 and 188, KwaZulu-Natal	Dec-16	669	Feb-17	608	Retail	2 210					
Victoria Road 241, KwaZulu-Natal	Dec-16	3 714	Feb-17	3 269	Retail	10 665					
West Street 448, KwaZulu-Natal	Dec-16	1 915	Feb-17	1 985	Retail	1 485					
West Street 452, KwaZulu-Natal	Dec-16	2 991	Feb-17	3 205	Retail	3 235					
Washington Street (Langa), Western Cape				1 501	Retail under construction	2 250					
Nkandla, KwaZulu-Natal				738	Retail under construction	1 514					
Nquthu Spar, KwaZulu-Natal				116	Retail under construction						
Mamelodi, Gauteng				42	Retail under construction						
Madadeni, KwaZulu-Natal				185	Retail under construction						
Pontac Park, Western Cape				38	Retail under construction						
					Residential: total	6 813	0.38%	9.14	0.00%	1.09%	76.28%
United Kingdom											
Tagwright House	Dec-14	13 370	Aug-17	18 300	Residential	1 086					
119-125 Marygate, Berwick upon Tweed	Oct-03	387		75	Residential	197					
Avonview Apartments, London	Jul-16	5 134	Aug-17	5 200	Residential	530					
Mozambique											
Tete Hollow, Tete	Mar-15	2 220	Feb-19	887	Residential	5 000					
South Africa											
Mzuri Residential, Somerset West, Western Cape				7 724	Residential under construction						
				727 209		1 769 936	100%			100%	2.73%

The average annualised gross rental yield of the above properties amounts to 8.80%

Tenant profile	%
A – Large nationals, large listeds,and major franchisees	33.2%
B – Government	3.5%
C – Nationals, listeds, franchisees	11.1%
D – Medium to large professional firms	30.0%
E – Private commercial tenants	19.2%
F – Private residential tenants	2.9%
	100%

Lease expiry profile based on revenue	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	1.5%	5.7%	2.4%	54.5%
Leisure	0.3%	0.2%	0.0%	1.5%
Offices	1.2%	2.0%	1.2%	3.4%
Retail	2.4%	5.3%	4.3%	12.8%
Residential	1.1%	0.0%	0.0%	0.0%
	6.6%	13.3%	7.9%	72.2%

Lease expiry profile based on gross lettable area	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	6.1%	8.5%	2.7%	65.4%
Leisure	0.2%	0.3%	0.0%	0.4%
Offices	0.9%	1.0%	0.4%	1.1%
Retail	1.4%	1.9%	2.0%	7.5%
Residential	0.1%	0.0%	0.0%	0.0%
	8.7%	11.8%	5.2%	74.3%

SHAREHOLDERS' PROFILE

Tradehold Limited and its subsidiaries at 29 February 2020

	Number of holders	Percentage of shareholders	Number of shares held	Percentage holding
Distribution of shareholders				
Non-public shareholders				
Directors	6	0.44	168 656 869	64.53
Associate of directors	1	0.07	522 656	0.20
Prescribed officers	1	0.07	1 664 600	0.64
Public shareholders	1 357	99.41	90 502 445	34.63
Total	1 365	100.00	261 346 570	100.00

	Number of shares held	Percentage holding
Major shareholders		
Granadino Investments (Pty) Ltd	88 987 217	34.0
Redbill Holdings (Pty) Limited	33 767 103	12.9
Titan Global Investments (Pty) Ltd	31 000 893	11.9
Teez Away Trading (Pty) Limited	29 666 226	11.4
H Collins and Son (Pty) Limited	15 224 977	5.8
Titan Share Dealers (Pty) Limited	11 064 582	4.2

Directors' interest

At 29 February 2020 the interest of the directors in the issued shares in the company were as follows:

	Direct beneficial	Indirect non-beneficial	Total 2020	Total 2019
KR Collins	484 865	33 767 103	34 251 968	32 788 801
FH Esterhuyse	—	3 102 612	3 102 612	2 933 772
DA Harrop	—	—	—	—
KL Nordier	203 413	—	203 413	196 383
LL Porter	—	—	—	—
MJ Roberts	—	—	—	—
HRW Troskie	—	—	—	—
TA Vaughan	13 442	—	13 442	—
CH Wiese	—	131 052 692	131 052 692	125 433 427
JD Wiese	—	32 742	32 742	31 340
	701 720	167 955 149	168 656 869	161 383 723

There have been no changes in the interest of the directors between 29 February 2020 and the date of approval of these annual financial statements.

TRADEHOLD LTD

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