TRADEHOLD LIMITED

Integrated Report 2014

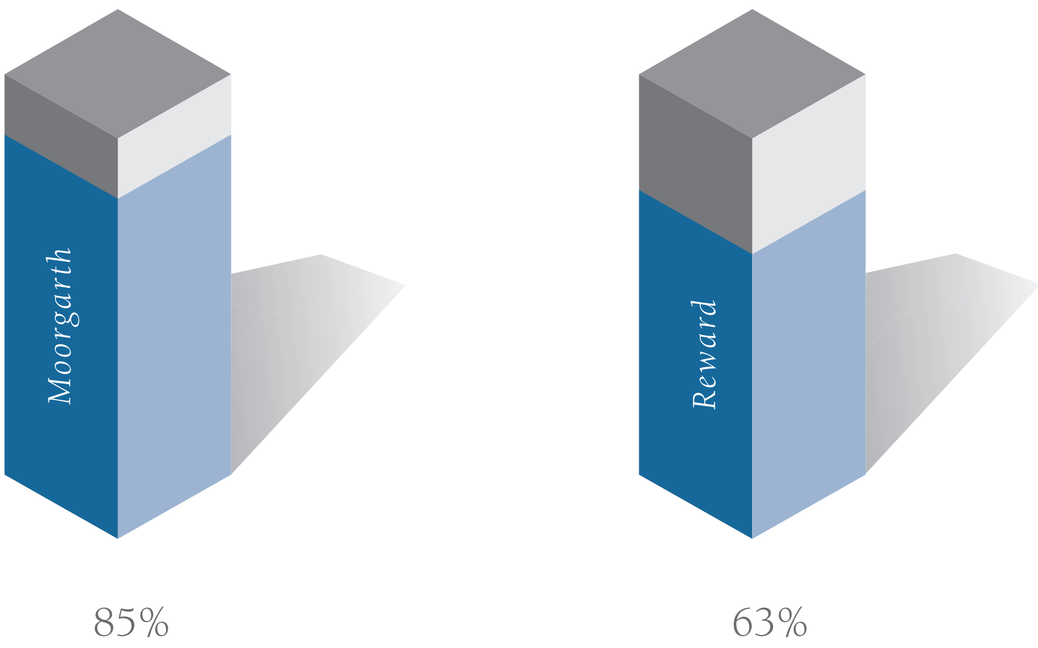
Contents

Positioning

Tradehold Limited is an investment holding company listed on the main board of the JSE Limited. At its financial year-end, it had no operating assets in South Africa. Its business interests then consisted of an 85% holding in the property-owning Moorgarth group of companies and an indirect holding, through Reward Investments Limited, of 63% in the two operating Reward LLP's, an asset-backed, short-term lending business. In both instances the balance of the shares is held by management. All these businesses are UK-based. By far the largest investment is in Moorgarth which manages a £77,4 million portfolio of retail, commercial and industrial buildings.

TRADEHOLD LIMITED

BUSINESS HOLDING



Chairman's statement and review of operations

Tradehold Limited and its subsidiaries at 28 February

"With the turnaround in the British economy and the growing confidence in both the business community as well as among ordinary consumers, we believe Tradehold and its subsidiaries are well-placed to benefit further in the new financial year from improving market sentiment."

C H Wiese, chairman

Stakeholder approach

The main stakeholders of Tradehold Limited and users of the integrated report are its shareholders. The content of this report was determined by the needs of shareholders.

Operating environment

The UK economy has been improving steadily over the past year and continues to do so, to the extent that it is expected to grow by 2.9% in 2014. According to the IMF, should this be the case, it would make it the fastest-growing economy of the G7 nations. Inflation, which has dropped to a four-year low of 1.7% was well under control throughout the reporting period while interest rates were held at a record low of 0.5%. These positive indicators have led to growing confidence in the economy, reported now to be at its highest peak since August 2007. Consumer spending is increasing, with retail sales up 2.4% in the month of February. All sectors of the property market have also benefited from the economic recovery. However, money for development has remained tight, with short-term funding in particular becoming increasingly difficult to obtain from High Street banks.

C H Wiese, chairman

Financial results

In the improving economic climate of the United Kingdom, in the year to February 2014, Tradehold built on the already much improved financial results of the previous year by growing revenue by 24.4% to £12,6 million (2013: £10,1 million) and trading profit by 72.5% to £6,1 million (2013: £3,6 million). The upward adjustment in the fair value of shares held by the company contributed £1,7 million (2013: £2,8 million) to a net profit for the year of £7,3 million (2013: £6,5 million).

Moorgarth achieved an operating profit of £3,2 million compared to £2,4 million in the corresponding 12 months and, after two years of losses, reported a net profit of £0,4 million (2013: a net loss of £2,6 million). Where the net loss in 2013 was caused mainly by a downward adjustment of £2,8 million in the value of its property portfolio, it was buoyed this time by a valuation increase of £0,2 million, which also reflects the steady improvement in the UK property market.

Reward in its third full year of operation continued to build on the success of the previous two years. Turnover increased by 43.3% to £4,3 million (2013: £3 million) and net profit by 44.4% to £1,3 million (2013: £0,9 million).

Moorgarth

During the year, Moorgarth continued to dispose of non-core assets so it could focus on larger, more centrally located investments, particularly regionally dominant shopping centres. In line with this new acquisition strategy, in November 2013, Moorgarth bought the 37 000 m² Market Place shopping centre in Greater Manchester for £23,5 million, increasing the value of its portfolio by 46%. The centre, built at a cost of £105 million, has suffered a decline in recent years and Moorgarth will be spending £15 million on extending its facilities. The centre, which has a major anchor tenant with a lease running to 2086, is expected to yield an attractive initial return.

Moorgarth, whose properties are located mainly in Northern England and Scotland, made its first foray during the year into Central London when it agreed terms to acquire two smaller office buildings. Both these transactions were completed after year-end, creating a presence in the City, an objective pursued by management for some time. Rentals in the office sector in Central London are expected to increase by more than 5% per annum until 2017, reflecting the shortage of supply.

Moorgarth also made excellent progress during the year in filling space by refurbishing some of its properties to a standard where they appeal to more up-market tenants.

Reward

In the year to February 2014, the operating units of Reward Investments Limited – Reward Capital and Reward Commercial Finance – continued to build on the solid foundation established during the previous 12 months. One of these businesses focuses on short-term, asset-backed loans to small and medium-sized companies and, the other, on invoice-discounting facilities to similar-sized businesses.

Market conditions continued to favour Reward, especially in the case of the short-term loan facilities offered by Reward Capital – which has little direct competition. At the same time Reward Commercial Finance operates in an industry which is on a substantial growth curve.

To drive new business, Reward, which operates primarily in West Yorkshire, intends extending its geographic reach to Greater Manchester, one of the largest regional markets outside London.

Despite its aggressive growth during the year, no bad debt was incurred mainly because of the very prudent lending policies adhered to by management.

Developments after year-end

In a transaction which became effective on 3 March 2014, Tradehold bought the South African financial services business Mettle. Although it will continue as a separate business within the group, there are nevertheless considerable synergies between Mettle's operations and those of Reward Capital and Reward Commercial Finance.

The board

A substantially different and restructured board, which assembled for the first time on 27 May, will be guiding the operations of Tradehold in the future. Four new members have joined while three have resigned. I will henceforth act as non-executive chairman while the management of the group will be shared by two joint chief executives, Tim Vaughan, CEO of Moorgarth, and Friedrich Esterhuyse, CEO of Mettle and one of the new board members. The other new members are David Harrop, financial director of Moorgarth, Karen Nordier, who takes over as financial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director, and Martin Wragge, a highly regarded property expert and long-standing business associate of mine. Jacob Wiese will no longer be a full director but has been appointed alternate to myself.

The two directors who are retiring – Cornus Moore and Carel Stassen – have shared much of my professional life with me and I consider their departure a great personal loss. Cornus joined Pepkor in the early 1980s, becoming financial director in 1990. In 2003, after the unbundling of Pepkor, he moved to Switzerland to oversee all of Tradehold's operations. Carel joined Pepkor in 1990, was chairman of a number of its subsidiaries and after a decade, was appointed managing director. In subsequent years he headed Pepkor's retail operations in the UK before branching out on his own.

They have both enriched my personal life and business career, and I am grateful for all that we could experience together. I wish them well for the years ahead.

Prospects

With the turnaround in the British economy and the growing business and consumer confidence, we believe Tradehold and its subsidiaries are well placed to gain from improving market sentiment. Moorgarth's new acquisition strategy and the proven asset-management capabilities of its senior team signal a strong performance by Tradehold's largest investment in the new financial year.

The board is equally convinced of the growth potential of Reward's two LLPs. The activities of these two businesses complement each other well. With the appointment of several key executives to bolster Reward's expansion plans in the new financial year we expect the business to build further on its excellent performance in the 2014 reporting period.

Moreover we believe the acquisition of Mettle will further enrich the fabric of Tradehold through the entrepreneurial flair of its management and the development potential it offers.

Sustainability context

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

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

Acknowledgments

In the past year we started reaping the fruit of much hard work and single-minded dedication in often disheartening market conditions. In addition to my colleagues on the board I want to thank every member of management and of our staff for not losing faith during these past few years but resolutely sticking to the task at hand. The success we are now starting to enjoy is due entirely to them and we owe them our gratitude.

C H Wiese
Chairman

27 May 2014

Corporate governance

Tradehold Limited and its subsidiaries at 28 February

Tradehold Limited is an investment holding company. At year end, it had no operating assets in South Africa and its principal business consisted of a 85% interest in the property-owning Moorgarth group of companies and a 63% interest in asset-backed, short-term lender Reward, all based in the United Kingdom. It conducts treasury activity through its wholly-owned finance company, Tradegro S.ár.l. The majority of transactions relates to Moorgarth Group which owns and manages a portfolio of property assets. At year-end the Moorgarth Group owned and managed 21 commercial properties.

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

Board and board committees

The board takes overall responsibility for managing the group. It has established the following board committees: audit committee, remuneration committee and social and ethics committee. The board comprises of seven directors, three of whom are independent non-executive, one non-executive and three executive. Tradehold Limited has an executive chairman whom the board considered the best person for the position. The financial director is also the acting chief executive officer. The composition of the board is reviewed on a regular and ongoing basis. Mr. Carel Stassen was appointed the lead independent director.

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

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

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

The composition of the board, outlined on the following page, was the position at the end of February 2014 and the attendances for board and committee meetings are for the financial year. The board was re-constituted on 27 May 2014, details of which appear on page 16; Directorate and Administration, as well as in the Directors' Report on page 18.

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

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

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

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

Composition of the board as at 28 February 2014 and attendance of meetings for the financial year.

Board of directors	Qualification	Date of appointment	Age	Executive/ independent non-executive	Meetings attended (out of 3)	Other significant directorships
Dr C H Wiese	BA, LLB, DCom (HC)	29 September 2000	72	Executive	1	Chairman of Pepkor Holdings (Pty) Limited, Shoprite Holdings Limited and Invicta Holdings Limited, director of Brait SE and various other companies.
Mr C Moore	BCom	5 November 1991	64	Executive	3	
Mr C Stassen	BCom	15 November 2001 #	63	Independent non-executive	3	
Mr H R W Troskie	B Juris, LLB, LLM	27 April 2006	44	Independent non-executive	3	Brait SE, Ardagh Group S.A. and Southern View Finance Limited.
Adv J D Wiese	BA, LLB, MCom	10 November 2010	33	Non-executive	2	Digicore Holdings Limited, Pepkor Holdings (Pty) Limited, Invicta Holdings Limited and Premier Group.
Mr T A Vaughan	BSc (Hons) MRICS	10 November 2010	48	Executive	3	Managing director of Moorgarth Group
Mr. M J Roberts	BA, SEDP	28 February 2012	67	Independent non-executive	3	

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

Audit committee report

The audit committee submits its report in terms of 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:

– Reviewed the interim and preliminary results and the year-end annual financial statements, as well as the content of the integrated report, culminating in a recommendation to the board to adopt it;
– Reviewed the external audit reports on the annual financial statements;
– Reviewed risk management and internal control reports of the group and, where relevant, made recommendations to the board;
– Verified the independence of the external auditors, nominated PricewaterhouseCoopers Inc. as the auditors for 2014 and noted the appointment of Mr B Goossens as the designated auditor;
– Approved the audit fees and engagement terms of the external auditors; and
– 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.

2. Members of the audit committee and attendance at meetings

The audit committee aims to fulfil the roles and responsibilities as required by the Companies Act and King III. The audit committee consists of three members.

The audit committee meets at least twice a year as per the audit committee charter, details of which are listed below. All members act independently as described in section 94 of the Companies Act, Act 71 of 2008, as amended.

Audit committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr C Stassen	BCom	15 February 2008	63	Independent non-executive	2
Mr H R W Troskie	BJuris, LLB, LLM	15 February 2008	44	Independent non-executive	2
Mr M J Roberts	BA, SEDP	28 February 2012	67	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. During the year the audit committee met once with the external auditors without management being present.

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

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

5. **Statement on effectiveness of internal financial controls**
The audit committee reviewed the financial reports submitted for the group and through discussion with management and the external auditors herewith reports that internal financial controls were adequate and operated effectively for the financial year ended 28 February 2014.

Remuneration committee

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

Remuneration committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr C Stassen	BCom	25 October 2012	63	Independent non-executive	2
Mr H R W Troskie	BJuris, LLB, LLM	25 October 2012	44	Independent non-executive	2

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

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

Details of the remuneration and participation of directors in share incentive schemes appear elsewhere in this report. The group does not employ senior management outside of the directors, and the levels of remuneration of employees do not render the disclosure of the remuneration of the three most highly paid employees appropriate.

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 terms of section 72(4) of the Companies Act no. 71 of 2008, as amended, read with Regulation 43 of the Companies Regulations, 2011.

The membership and members' attendance of the committee meetings are set out below:

Social and ethics committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 3)
Mr C Stassen	BCom	28 May 2012	63	Independent non-executive	3
Mr H R W Troskie	BJuris, LLB, LLM	28 May 2012	44	Independent non-executive	3
Mr. M J Roberts	BA, SEDP	28 May 2012	67	Independent non-executive	3

Risk management and internal control

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

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

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

Key risks and mitigating strategies are detailed below:

- The economic climate in the UK as it pertains to the commercial property market poses the most significant risk to the group. The performance of the past year has been satisfactory due to the skill and care exercised by the Moorgarth executives charged with the oversight responsibility. The cash injection from the rights issue in 2011 has ensured stability and availability of funds to position the group to seize suitable growth opportunities.
- Key risks facing Moorgarth Group include inappropriate acquisitions and loss of income due to tenant failure or vacancies. These risks are mitigated through the performance of full legal and financial due diligences, formal review and approval by Tradehold Limited directors for all acquisitions, ongoing communication with tenants, and strong marketing initiatives in respect of vacant properties through a range of channels.
- Reward makes loans to small businesses on a short-term basis. The loans are secured by the assets of the borrower. Borrowers are typically businesses that do not qualify for the lending criteria of the banking sector especially given the current practices of the formal banking sector. The risk in this business is the failure of the borrower, but this is mitigated through taking security over the assets of the borrower.
- Another key risk is attaining optimal investment income from cash reserves, while staying within the risk appetite of the group. The current strategy is to allocate cash investments where applicable across major banking institutions.

Integrity and ethics

Tradehold Limited at all times endeavours to maintain the highest standard of integrity in dealing with its clients, staff, the authorities, shareholders, suppliers and the investor community and, in doing so, to ensure the largest measure of credibility, trust and stability. Structures and procedures are in place for the reporting of unethical behaviour. The chief executive of each group company is responsible for ethical behaviour within his organisation. The board is of the opinion that a high level of standards was maintained by the group and it is not aware of any instances of unethical behaviour during the year ended 28 February 2014.

Notice to shareholders

Tradehold Limited and its subsidiaries at 28 February

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

Notice is hereby given that the annual general meeting ("AGM") of the shareholders of Tradehold Limited (the "Company"), will be held in the boardroom at the head office of Pepkor Limited, located at 36 Stellenberg Road, Parow Industria, at 11:00 on 4 August 2014.

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

Attendance and voting

In terms of section 59(1)(a) and (b) of the Companies Act, 71 of 2008 ("the Act"), as amended, 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, 23 May 2014; 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, 25 July 2014.

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

Ordinary resolution number 1

That the annual financial statements for the year ended 28 February 2014 including the auditor's report be adopted.

Ordinary resolution number 2

That PricewaterhouseCoopers Inc, as nominated by the Company's audit committee, be re-appointed as independent auditors of the Company to hold office until the conclusion of the next AGM of the Company. It is to be noted that Mr B Goossens is the individual and designated auditor who will undertake the Company's audit for the financial year ending 28 February 2015.

Ordinary resolution number 3

That Dr C H Wiese who retires as director in terms of the Memorandum of Incorporation ("MOI") of the Company and, being eligible, offers himself for re-election to the Board, be re-appointed. Dr C H Wiese is 72 years of age and has the qualification BA.; LL.B.; D Com(h.c.). Dr Wiese is the non-executive chairman of Tradehold Limited, Pepkor Holdings (Pty) Limited and Shoprite Holdings Limited.

Ordinary resolution number 4

That Mr F H Esterhuyse who was appointed as director with effect 27 May 2014 and retires in terms of the MOI and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr Esterhuyse is 44 years of age and has the qualifications B.ACC Hons, M Com (Tax), CA(SA). He is currently the managing director of the Mettle group of companies.

Ordinary resolution number 5

That Ms K L Nordier who was appointed as director with effect 27 May 2014 and retires in terms of the MOI and, being eligible, offers herself for re-election to the Board, be re-appointed. Ms Nordier is 47 years of age and has the qualifications B.ACC Hons, CA(SA). She has been employed by Mettle Investments (Pty) Limited since 1997, where she was responsible for financial management and the compliance function of the credit services division.

Ordinary resolution number 6

That Mr J M Wragge who was appointed as director with effect 27 May 2014 and retires in terms of the MOI and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr Wragge is 66 years of age and has many years' experience in the retail and commercial property sector. He has been the driving force behind a number of iconic property developments in South Africa and internationally. Mr Wragge is currently the chairman of Gritprop Investments (Pty) Limited.

Ordinary resolution number 7

That, Mr D A Harrop who was appointed as director with effect 27 May 2014 and retires in terms of the MOI and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr Harrop is 44 years of age and has the qualifications BA (Hons), ACA. Mr Harrop is the finance director of the Company's subsidiary Moorgarth Holdings Limited.

Ordinary resolution number 8

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

- That this authority is valid until the Company's next AGM, provided it shall not extend beyond 15 months from the date that this authority is given;
- That the equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- That a paid press announcement giving full details, including the impact on net asset value and earnings per share, will be published at the time of any issue representing, on a cumulative basis within a financial year, 5% or more of the number of ordinary shares in issue prior to the issue in question;

- That issues in the aggregate in any one financial year may not exceed 15% of the Company's issued share capital of a specific class of share already in issue as at the date of this notice of AGM;
- 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 determined or agreed by the directors; and
- That any such issue will only be made to public shareholders as defined by the Listings Requirements and not to related parties.

In terms of the Listings Requirements, a 75% majority of the votes of all shareholders present in person at the AGM or represented by proxy, must be cast in favour of this resolution to approve this ordinary resolution 8.

Ordinary resolution number 9

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

Ordinary resolution number 10

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

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

Ordinary resolution number 11

That the following independent directors of the Company be elected as members of the social and ethics committee of the Company until the conclusion of the next AGM of the Company:

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

Ordinary resolution number 12

That the following independent directors of the Company be elected as members of the remuneration committee of the Company until the conclusion of the next AGM of the Company:

- H R W Troskie
- M J Roberts

Special resolution number 1

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

C H Wiese: . . . . EUR 50 000
C Stassen:. . . . .£ 10 000
H R W Troskie: . . . . EUR 9 000
M J Roberts: . . . . EUR 5 000

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

Special resolution number 2

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

The directors consider that such a general authority should be put in place in order to assist the Company inter alia to make loans to persons, including subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances. The existence of a general authority would avoid the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2015 AGM of the Company.

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

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

Special resolution number 3

It is resolved as a special resolution that the Company be and is hereby authorised, in terms of section 44(3)(a)(ii) of the Act to, on the instructions of its Board of directors, 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 options or securities, issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or a related or inter-related company.

The directors consider 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 2015 AGM of the Company.

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

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

Special resolution number 4

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

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

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

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

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

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

In terms of the Listings Requirements, the following

disclosures are required with reference to the general authority to repurchase the Company's shares set out in the special resolution above, some of which are set out elsewhere in the annual report of which this notice forms part ("this annual report"):
Directors and management – refer page 16;
Major shareholders of the Company – refer page 64;
Directors' interests in the Company's securities – refer page 64;
Share capital – refer page 39

Litigation statement

Other than disclosed or accounted for in this annual report, the directors of the Company, whose names are given on page 16 of this annual report, are not aware of any legal or arbitration proceedings, pending or threatened against the group, which may have or have had, in the 12 months preceding the date of this notice, a material effect on the group's financial position.

Directors' responsibility statement

The directors, whose names are given on page 16 of this annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above special resolutions and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above special resolutions contain all information required.

Material change

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

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 7 as well as 9 to 12. For ordinary resolution number 8 and the special resolutions a 75% voting majority is required by law and the Listings Requirements.

Proxies

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

Electronic attendance

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

By order of the board

J F Pienaar
Secretary

27 May 2014
Parow Industria
7493

Stock exchange transactions

Tradehold Limited and its subsidiaries at 28 February

	2014	2013	2012	2011	2010
Number of shares traded (‘000)	4 730	5 997	7 476	717	769
Value of shares traded (R’000)	50 891	45 243	43 307	6 387	4 627
Volume of shares traded as % of total issued shares	3	4.30	6.3*	2.1	2.2
Market capitalisation (R’000)	1 898 367	1 233 246	881 286	240 700	329 964
Share prices for the year (cents)					
Lowest	750	600	450	692	250
Average	1 046	754	579	891	602
Highest	1 420	920	750	1 080	1 120
Closing	1 370	890	636	693	950

* Based on weighted average number of shares in issue

Note: The comparative figures for 2011 and 2010 were restated due to the consolidation of ordinary shares during 2011.

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 28 February 2014, 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.

J F Pienaar
Company secretary

27 May 2014

Shareholders' information

Tradehold Limited and its subsidiaries at 28 February

Enquiries

Enquiries relating to shareholdings in the company such as the loss of share certificates, dividend payments, or to notify change of address and/or bank account details, please write to the registrars: Computershare Investor Services (Pty) Ltd, P O Box 61051, Marshalltown, 2107. If you have received more than one copy of this annual report, there may be more than one account in your name on the company's register of members. If you would like to amalgamate your holdings, write to the registrars, detailing the accounts concerned and instructions on how they should be amalgamated.

Additional copies of annual financial statements

Additional copies of the report are obtainable from:
South Africa: The Company Secretary, Tradehold Ltd, 36 Stellenberg Road, Parow Industria, 7493, telephone number: +27 21 929 4800.
United Kingdom: The Company Secretary, Moorgarth Holdings Ltd, 17 – 19 York Place, Leeds, W Yorkshire LS1 2EX, telephone number: +44 870 850 8001.
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.

Directorate and administration

Tradehold Limited and its subsidiaries at 28 February

Directorate

C H Wiese (72)#
B A, LL B, D Com (HC)
Chairman
(became non-executive on 27 May 2014)

C Moore (64)#
B Com
Financial director
(resigned on 27 May 2014)

M J Roberts (67)*
B A

C Stassen (63)*+
B Com
Lead independent director
(resigned on 27 May 2014)

H R W Troskie (44)*+
B Juris, LLB, LLM

T A Vaughan (48)#
BSc Hons, MRICS
(appointed joint chief executive on 27 May 2014)

J D Wiese (33)†
BA, LLB, MCom
(resigned on 27 May 2014 but appointed alternate to C H Wiese on same day)

F H Esterhuyse (44)#
BAcc Hons, MCom(Tax), CA(SA)
(appointed director and joint chief executive on 27 May 2014)

D A Harrop (44)#
BA Hons, ACA
(appointed director on 27 May 2014)

K L Nordier (47)#
BAcc, BCompt Hons, CA (SA)
(appointed financial director on 27 May 2014)

J M Wragge (66)†
(appointed director on 27 May 2014)

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

Administration

Company secretary
J F Pienaar (resigned on 27 May 2014)
F M ver Loren van Themaat (appointed 27 May 2014)
PO Box 6100
Parow East 7501

Sponsor
Bravura Capital (Pty) Ltd

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

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

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

Auditors
PricewaterhouseCoopers Inc

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, Mr Cornus Moore.

The annual financial statements were authorised on 27 May 2014 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:

C H Wiese
Chairman

C Moore
Director

27 May 2014

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 Properties (Luxembourg) S.àr.l.
  Moorgarth Properties owns a portfolio of commercial properties situated in the United Kingdom.
– Clumber Park Hotel LLP ("CPH")
  Clumber Park Hotel operates a hotel and spa business.
– Reward Investments Ltd
  Reward is an asset-backed, short-term lending business situated in the United Kingdom.
– Tradegro S.àr.l.
  Tradegro renders certain 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.

Property, plant and equipment
The property from which CPH operates is classified as owner-occupied property.

Investment properties
Changes in properties during the year and details of property valuations at 28 February 2014 are shown in note 2 to the annual financial statements.

Borrowings
Interest-bearing borrowings comprise bank and other third party borrowings.

Group results

Earnings
After taking into account the interest of non-controlling shareholders, the group reports a basic earnings per share of 4,6 pence (2013: 4,7 pence).

The annual financial statements on pages 20 to 64 set out fully the financial position, results of operations and cash flows of the group for the financial year ended 28 February 2014.

Dividends
A dividend of 5 cents per share, declared on 28 May 2013, was paid on 24 June 2013 (2013: nil).

Events after the reporting period
On 3 March 2014 ("Acquisition Date"), Tradehold Limited acquired the total issued share capital as well as all shareholders' loans in Mettle Investments Proprietary Limited ("Mettle"). The initial purchase consideration, limited to R32m, is dependent on Mettle's profit after tax for the year ending 28 February 2015 and its net asset value at 28 February 2015. The additional purchase consideration, limited to R38m, is dependent on Mettle's profit after tax for the year ending 29 February 2016.

The purchase consideration will be settled in full through the issue of new Tradehold Limited shares. The excess of the purchase consideration over the net assets acquired will be recognised as goodwill at the Acquisition Date.

The results of operations for Mettle will be included in Tradehold Limited's consolidated financial statements from the Acquisition Date.

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.

On 27 May 2014 Messrs C Moore, C Stassen and J D Wiese resigned as directors with Mr. J D Wiese being appointed alternate to Dr. C H Wiese. On the same day Dr. C H Wiese's position changed from executive to non-executive. The following new directors were appointed on 27 May 2014; Messrs F H Esterhuyse (joint chief executive with Mr. T A Vaughan), D A Harrop (executive), J M Wragge (non-executive) and Ms. K L Nordier (financial director).

In terms of the Memorandum of Incorporation of the company Messrs C H Wiese, F H Esterhuyse, D A Harrop, J M Wragge and Ms K L Nordier retire as directors of the company at the annual general meeting but, being eligible, offer themselves for re-election.

At 28 February 2014 the directors of Tradehold Limited held a direct interest of nil % (2013: nil %) and an indirect, non-beneficial interest of 85.2% (2013: 84.7%) of the issued ordinary share capital of the company. Indirect holdings through listed companies have not been included. No material change in the shareholding of directors has occurred between the end of the financial period and the date of this report.

Holding company
At 28 February 2014 the company had no holding company. An analysis of the main shareholders of the company appears on page 64 of this report.

Secretary
The name and address of the secretary appear on page 16 of this report. On 27 May 2014 Mr. J F Pienaar resigned as Company Secretary and Mr. F M ver Loren van Themaat was appointed in his stead.

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

Auditor's report

To the shareholder of Tradehold Limited

We have audited the consolidated and separate financial statements of Tradehold Limited set out on pages 20 to 64, which comprise the statements of financial position as at 28 February 2014 and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Tradehold Limited as at 28 February 2014, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa.

Other reports required by the Companies Act

As part of our audit of the consolidated and separate financial statements for the year ended 28 February 2014, we have read the Directors' Report, the Audit Committee's Report and the Company Secretary's Certificate for the purpose of identifying whether there are material inconsistencies between these reports and the audited consolidated and separate financial statements. These reports are the responsibility of the respective preparers. Based on reading these reports we have not identified material inconsistencies between these reports and the audited consolidated and separate financial statements. However, we have not audited these reports and accordingly do not express an opinion on these reports.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: B Goossens
Registered Auditor

Cape Town
Date 27 May 2014

Statement of financial position

Tradehold Limited and its subsidiaries at 28 February

COMPANY 2013 R'000	COMPANY 2014 R'000		Notes	GROUP 2014 £'000	GROUP 2013 £'000
		ASSETS			
1 048 162	1 041 182	**Non-current assets**		77 873	51 900
		Property, plant and equipment	1	5 337	5 524
		Investment properties	2	72 536	46 341
1 048 162	1 041 182	Interest in subsidiaries	3		
		Deferred taxation	11	—	35
1 696	27	**Current assets**		50 274	51 136
		Financial assets	4	8 130	10 238
		Trade and other receivables	5	16 952	10 714
1 696	27	Cash and cash equivalents	6	25 192	30 184
1 049 858	1 041 209	**Total assets**		128 147	103 036
		EQUITY AND LIABILITIES			
1 023 871	1 002 186	**Ordinary shareholders' equity**		99 327	93 465
1 386	1 386	Share capital	7	122	122
1 668 459	1 661 531	Share premium		143 056	143 556
(645 974)	(660 731)	Reserves	8	(43 851)	(50 213)
		Non-controlling interest		612	328
1 023 871	1 002 186	**Total equity**		99 939	93 793
574	574	**Non-current liabilities**		17 627	88
574	574	Preference share capital	9	51	51
		Long-term borrowings	10	17 444	—
		Deferred taxation	11	132	37
25 413	38 449	**Current liabilities**		10 581	9 155
		Provisions	12		
1 467	1 705	Trade and other payables	13	3 876	2 318
		Taxation payable		168	131
23 946	36 744	Loans from subsidiaries	3.2		
		Short-term borrowings	14	6 537	6 706
25 987	39 023	**Total liabilities**		28 208	9 243
1 049 858	1 041 209	**Total equity and liabilities**		128 147	103 036

The notes on pages 33 to 59 are an integral part of these consolidated annual financial statements

Statement of comprehensive income

Tradehold Limited and its subsidiaries for the year ended 28 February

COMPANY 2013 R'000	COMPANY 2014 R'000		Notes	GROUP 2014 £'000	GROUP 2013 £'000
		Revenue	15	12 559	10 095
		Other operating income	16	117	61
		Profit on disposal of investment properties		—	44
		Net gain/(loss) from fair value adjustment on investment property	2	222	(2 800)
		Loss on purchase of investment		(3)	—
(855)	(1 012)	Employee benefit expenses	17	(2 241)	(2 178)
(25)	(38)	Lease expenses		(70)	(87)
		Depreciation, impairment and amortisation	1	(297)	(333)
		Write-back of provisions		262	2 870
(4 456)	(6 131)	Other operating costs		(4 406)	(4 111)
(5 336)	(7 181)	**Trading profit**		6 143	3 561
		Fair value gain on financial assets at fair value through profit or loss	4	1 741	2 823
(5 336)	(7 181)	**Operating profit/(loss)**	17	7 884	6 384
3	1	Finance income	18	157	257
		Finance cost	18	(245)	(63)
(5 333)	(7 180)	**Profit/(loss) before taxation**		7 796	6 578
		Taxation	19	(514)	(84)
(5 333)	(7 180)	**Profit/(loss) for the year**		7 282	6 494
		Other comprehensive loss, net of tax			
		Items that may be susequently reclassified to profit or loss			
(2 270)	(7 577)	Currency translation differences		61	(47)
(7 603)	(14 757)	**Total comprehensive income/(loss) for the year**		7 343	6 447
		Profit attributable to:			
		Owners of the parent		6 392	6 527
		Non-controlling interest		890	(33)
				7 282	6 494
		Total comprehensive income attributable to:			
		Owners of the parent		6 453	6 480
		Non-controlling interest		890	(33)
		Total comprehensive income for the year		7 343	6 447
		Earnings per share (pence)	20		
		– basic and diluted		4.6	4.7

The notes on pages 33 to 59 are an integral part of these consolidated annual financial statements

Statement of cash flows

Tradehold Limited and its subsidiaries for the year ended 28 February

COMPANY 2013 R'000	COMPANY 2014 R'000		Notes	GROUP 2014 £'000	GROUP 2013 £'000
		Cash flows from operating activities			
(5 336)	(7 181)	Operating (loss)/profit		7 884	6 384
		Non-cash items	21.1	(1 529)	(2 440)
(206)	238	Changes in working capital	21.2	79	(317)
(5 542)	(6 943)	Cash (used in)/from operations		6 434	3 627
3	1	Interest received		157	257
		Interest paid		(66)	(63)
—	(6 928)	Dividends paid		(500)	—
		Taxation paid	21.3	(347)	(105)
(5 539)	(13 870)	**Net cash (used in)/flows from operating activities**		5 678	3 716
		Cash flows from investing activities			
		Acquisition of property, plant and equipment	1	(109)	(120)
		Acquisition of investment properties	2.1	(25 973)	(8 093)
		Proceeds on disposal of investment properties		—	494
		Proceeds on disposal of property, plant and equipment		17	—
		Proceeds on disposal of investment	21.4	1 780	—
		Reward loans issued	5.3.1	(35 812)	(20 633)
		Reward loans repaid	5.3.1	32 703	15 632
—	6 980	Loan repaid by subsidiary undertaking		—	—
—	6 980	**Net cash from/(used in) investing activities**		(27 394)	(12 720)
		Cash flows from financing activities			
9 503	5 221	Proceeds from borrowings	21.5	17 363	105
		Proceeds from ordinary share issue	7.4	—	133
		Drawings		(700)	—
9 503	5 221	**Net cash from financing activities**		16 663	238
3 964	(1 669)	**Net increase/(decrease) in cash and cash equivalents**		(5 053)	(8 766)
(2 270)	—	Effect of changes in exchange rate		61	(47)
2	1 696	Cash and cash equivalents at beginning of the year		30 184	38 997
1 696	27	**Cash and cash equivalents at end of the year**	6	25 192	30 184

The notes on pages 33 to 59 are an integral part of these consolidated annual financial statements

Statement of changes in equity

Tradehold Limited and its subsidiaries for the year ended 28 February

	Share capital and premium	Foreign currency translation reserve	Other non-distributable reserves	Accumulated loss	Attributable to equity holders of the parent	Non-controlling interest	Total
GROUP (£'000)							
Balance at 29 February 2012	143 545	8 070	844	(65 621)	86 838	375	87 213
Proceeds from ordinary share issue	133	—	—	—	133	—	133
Profit for the year	—	—	—	6 527	6 527	(33)	6 494
Reclassifications	—	(2 629)	(823)	3 466	14	(14)	—
Other comprehensive loss for the year	—	(47)	—	—	(47)	—	(47)
Balance at 28 February 2013	143 678	5 394	21	(55 628)	93 465	328	93 793
Profit for the year	—	—	—	6 392	6 392	890	7 282
Dividends distributed to shareholders	(500)	—	—	—	(500)	—	(500)
Changes in ownership	—	—	(91)	—	(91)	91	—
Drawings	—	—	—	—	—	(700)	(700)
Other comprehensive income for the year	—	61	—	—	61	3	64
Balance at 28 February 2014	143 178	5 455	(70)	(49 236)	99 327	612	99 939
COMPANY (R'000)							
Balance at 29 February 2012	1 669 845	125	236	(638 732)	1 031 474	—	1 031 474
Loss for the year	—	—	—	(5 333)	(5 333)	—	(5 333)
Other comprehensive loss for the year	—	(2 270)	—	—	(2 270)	—	(2 270)
Balance at 28 February 2013	1 669 845	(2 145)	236	(644 065)	1 023 871	—	1 023 871
Loss for the year	—	—	—	(7 180)	(7 180)	—	(7 180)
Dividends distributed to shareholders	(6 928)	—	—	—	(6 928)	—	(6 928)
Other comprehensive loss for the year	—	(7 577)	—	—	(7 577)	—	(7 577)
Balance at 28 February 2014	1 662 917	(9 722)	236	(651 245)	1 002 186	—	1 002 186

The notes on pages 33 to 59 are an integral part of these consolidated annual financial statements

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

1. Basis of preparation

Statement of compliance

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

Statement of comprehensive income and statement of cash flows

The group presents its statement of comprehensive income by nature of expense.

The group reports cash flows from operating activities using the indirect method.

The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the group's business activities.

Cash flows from investing and financing activities are determined using the direct method.

Preparation of the consolidated annual financial statements

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

The preparation of consolidated annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in accounting policies note 25.

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.

2. Changes in accounting policy and disclosures

The group has adopted the following new and amended IFRSs and interpretations as of 1 March 2013:

(a) **Standards, amendments and interpretations effective in 2014 and relevant to the group's operations**

- Amendment to IFRS 7, 'Financial Instruments: Disclosures', on asset and liability offsetting. This amendment includes new disclosures to facilitate comparison between those entities that prepare IFRS financial statements to those that prepare financial statements accordance with US GAAP.
- Amendments to IAS 1, 'Presentation of Financial Statements', on presentation of items of OCI. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently.
- IFRS 10, 'Consolidated financial statements' builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interest in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles.
- IFRS 13, 'Fair value measurement' aims to improve consistency and reduce complexity by providing precise definition of fair value and a single source of fair value measurements and disclosure requirements for use across IFRSs.
- Amendment to IAS 16, 'Property, plant and equipment'. Spare parts, stand by equipment and servicing equipment should only be classified as property, plant and equipment if they meet the definition.
- Amendments to IAS 19, 'Employee benefits'. This amendment modifies accounting for termination benefits, including distinguishing benefits provided in exchange for service and benefits provided in exchange for the termination of employment and affect the recognition and measurement of termination benefits. It also clarifies miscellaneous issues, including the classification of employee benefits, current estimates of mortality rates, tax and adminis-

tration costs and risk-sharing and conditional indexation features
- IAS 27 (revised 2011), 'Separate financial statements'. Consequential amendment as a result of IFRS 10. The amended Standard now only deals with separate financial statements.
- Amendments to IAS 32, 'Financial Instruments: Presentation'. Tax effects of distributions made to holders of equity instruments. Income tax relating to distributions made to holders of equity instruments and tax effects of transaction costs of equity transactions must be accounted for in accordance with IAS 12 Income Taxes.

(b) Standards, amendments and interpretations to existing standards effective in 2013 but not relevant to the group's operations
- Amendment to IFRS 1, 'First time adoption' on government loans (effective date 1 January 2013)
- IFRS 9, 'Financial Instruments (2009)' (effective date 1 January 2013)
- IFRS 9, 'Financial Instruments (2010)' (effective date 1 January 2013)
- IFRS 11, 'Joint arrangements' (effective date 1 January 2013)
- IAS 28 (revised 2011), 'Associates and joint ventures' (effective date 1 January 2013)
- Amendment to the transition requirements in IFRS 10, 'Consolidated financial statements', IFRS 11, 'Joint Arrangements', and IFRS 12, 'Disclosure of interests in other entities' (effective date 1 January 2013)
- Amendment to IAS 32, 'Financial instruments: Presentation' (effective date 1 January 2013)
- Amendment to IAS 34, 'Interim financial reporting' (effective date 1 January 2013)
- IFRIC 20, 'Stripping costs in the production phase of a surface mine' (effective date 1 January 2013)
- Amendments to IAS 36, 'Impairment of assets' (effective date 1 January 2014)

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

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2014 or later periods, but the group has not early adopted them:
- Amendments to IFRS 9, 'Financial Instruments (2011)' (effective date 1 January 2015)
- IFRIC 21, 'Levies' (effective date 1 January 2014)

Management is assessing the impact of these standards, amendments and interpretations on the group's operations.

3. Consolidation

a) Subsidiaries

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

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

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. 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 remeasured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

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

4. Segment reporting

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

5. Foreign currency translation

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

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

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

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

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognised as a separate component of equity in other comprehensive income.

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

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

6. Investment property

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

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

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the 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 the 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 carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in the profit or loss within net gain from fair value adjustment on 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 the 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.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

7. Property, plant and equipment

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

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

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

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

8. Leases

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

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

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

Properties leased out under operating leases are included in investment property in the statement of financial position (note 2). See accounting policy note 22(a) for the recognition of rental income.

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

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

9. Goodwill

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

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

10. Impairment of non-financial assets

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

11. Non-current assets (or disposal groups) held-for-sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use.

12. Financial assets

(a) **Classification**

The group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

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

Loans and receivables

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

(b) **Recognition and measurement**

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

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

(c) **Offsetting financial instruments**

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

(d) **Impairment of financial assets**

Assets carried at amortised cost

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

The group first assesses whether objective evidence of impairment exists.

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

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

13. Trade receivables

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

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

14. Cash and cash equivalents

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

15. Share capital

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

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

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

16. Trade payables

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

17. 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 the profit or loss over the period of the borrowings using the effective interest 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 the profit or loss as interest expense.

18. Current and deferred income tax

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

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

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

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

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

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

Withholding tax on dividends

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

19. Borrowing costs

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

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

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

20. 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.

(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.

21. 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.

22. Revenue recognition

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

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

Revenue includes rental income, interest income and service charges and revenue from hotel operations.

(a) Rental income

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

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

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

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

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

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

23. 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.

24. 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.

25. Critical accounting estimates, assumptions and judgements

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

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

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

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

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

(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. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current tax and deferred tax provisions.

(c) **Other areas of significant judgement**
The following other areas of significant judgement have been detailed in the notes to these annual financial statements:

- Impairment of property, plant and equipment (refer to note 1)
- Impairment of loans receivable (refer to note 5)

Notes to the annual financial statements

Tradehold Limited and its subsidiaries for the year ended 28 February

The principal activities of the group, its structures and other administrative details have been detailed in the Directors' Report.

1 Property, plant and equipment

		Owned land and buildings	Machinery, equipment and vehicles	Improvements to leasehold property	Total
1.1	£'000				
1.1.1	Cost				
	At 28 February 2013	5 360	1 548	17	6 925
	Additions	—	109	—	109
	Disposals	—	(40)	—	(40)
	At 28 February 2014	5 360	1 617	17	6 994
1.1.2	Accumulated depreciation				
	At 28 February 2013	360	1 024	17	1 401
	Charge for the year	100	197	—	297
	Disposals	—	(41)	—	(41)
	At 28 February 2014	460	1 180	17	1 657
1.1.3	Book value at 28 February 2014	4 900	437	—	5 337

		Owned land and buildings	Machinery equipment and vehicles	Improvements to leasehold property	Total
1.2	£'000				
1.2.1	Cost				
	At 29 February 2012	5 360	1 428	17	6 805
	Additions	—	120	—	120
	At 28 February 2013	5 360	1 548	17	6 925
1.2.2	Accumulated depreciation				
	At 29 February 2012	260	793	15	1 068
	Charge for the year	100	231	2	333
	At 28 February 2013	360	1 024	17	1 401
1.2.3	Book value at 28 February 2013	5 000	524	—	5 524

The recoverable amount of land and buildings is determined based on the higher of value-in-use and fair value less costs to sell. The assumptions and estimates used by management in determining the recoverable amount is detailed below.

In determining the recoverable amount of the affected land and buildings for the current year, projected net market-related rentals were capitalised based on a yield of 11.4% (2013: 9.6%).

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

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
		2	**Investment properties**		
		2.1	At beginning of year	46 341	41 498
			Additions	25 973	8 093
			Disposals and scrappings	—	(450)
			Net gain/(loss) from fair value adjustments on investment property	222	(2 800)
			At end of the year	72 536	46 341
		2.2	A register containing details is available for inspection at the registered offices of Moorgarth Holdings Ltd.		
		2.3	External valuers Knight Frank, who hold recognised and relevant professional qualifications valued property representing 32% of the portfolio. The remainder was 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 based upon yields of between 7.5% and 17.5% (2013: yields between 7.5% and 15%).		
			Investment properties with a carrying amount that were vacant at year-end.	1 150	1 150
		2.4	Income and expenditure relating to investment properties		
			Rental income	5 366	4 257
			Direct operating expenditure	1 381	1 024
			Direct operating expenses recognised in profit or loss include	150	185
			relating to investment property that was unlet.		
		2.5	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 26.9).		
		3	**Interest in subsidiaries**		
		3.1	Consisting of:		
1	1		Shares in Tradegro Holdings Ltd at cost		
1 658 463	1 651 483		Amount owing by Tradegro Holdings Ltd		
(610 302)	(610 302)		Accumulated impairment of loan to subsidiary		
1 048 162	1 041 182				
			As part of a subordination agreement the company has deferred its right to claim payment of the amount owed to it until the fair value of the assets of Tradegro Holdings Limited exceeds its liabilities. The loan is interest free.		

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
22 218	36 744	3.2	Loan from subsidiary company – Tradegro S.àr.l. (refer 3.3)		
1 728	—		Loan from subsidiary company – Tradehold Share Incentive Trust (refer 3.4)		
23 946	36 744				

3.3 Loan from subsidiary company – Tradegro S.àr.l.
This amount is repayable on demand and interest-free.

3.4 During the year the loan from the Tradehold Share Incentive Trust was ceded to Tradegro S.ár.l.

3.5 Sale/purchase of investment
On 4 November 2013 the group purchased a new subsidiary, Tauri Holdings S.àr.l. for £13,545. Subsequently, on 28 February 2014 the group sold 25% of this investment to Europrop Holdings for £2,576. The net cashflow effect of the transactions were £nil.

4 Financial assets

		GROUP 2014 £'000	GROUP 2013 £'000
4.1	Consisting of:		
	Financial assets at fair value through profit or loss	8 130	10 238
4.2	Financial assets at fair value through profit or loss		
4.2.1	1 811 Shares in Instore Ltd designated at fair value through profit or loss		
	At beginning	3 581	1 812
	Fair value gain	—	1 769
	Disposals	(3 581)	—
	At end	—	3 581

At 28 February 2013, the group held a 15.86% shareholding in Instore Ltd. During the year the group sold its shares in Instore Ltd.

This investment was recorded at fair value with gains and losses being recognised through profit and loss. The directors' valuation of this investment at 28 February 2013 was £3,6 million.

The directors had valued the shareholding based on the sale agreement concluded after the end of the prior reporting period, as this was considered to be the best external indicator of the fair value at that time.

As significant judgement was exercised by management in determining the fair value using inputs that are based on unobservable market data, the investment was classified as a Level 3 financial asset for the year ended 28 February 2013 (refer 26.9).

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
		4	**Financial assets (continued)**		
		4.2	Financial assets at fair value through profit or loss (continued)		
		4.2.2	636 000 Shares in UBS AG designated at fair value through profit or loss		
			At beginning	6 657	5 591
			Foreign exchange (loss)/gain	(268)	12
			Fair value gain	1 741	1 054
			At end	8 130	6 657
			At 28 February 2014, the group held a 0.02% (2013: 0.02%) shareholding in UBS AG, which is listed at the SIX Swiss Exchange and the New York Stock Exchange.		
			A gain of £1,7 million resulted from the fair value adjustment of the investment in UBS AG to its fair value of SFr18,87, being a listed price, at the end of February 2014.		
			A gain of £1,1 million resulted from the fair value adjustment of the investment in UBS AG to its fair value of SFr14,83, being a listed price, at the end of February 2013.		
			The above shares have been pledged as security for short-term borrowings (refer 14.3).		
		4.3	Analysis of total financial assets:		
			Current	8 130	10 238
		5	**Trade and other receivables**		
		5.1	Consisting of:		
			Trade receivables	13 371	9 974
			Gross receivables	13 866	10 319
			Outstanding rent (refer 5.2)	1 006	568
			Loans receivable (refer 5.3)	12 860	9 751
			Provision for impairment	(495)	(345)
			Outstanding rent	—	—
			Loans receivable (refer 5.3)	(495)	(345)
			Other receivables	3 581	692
			Restricted cash (refer 5.2)	—	48
				16 952	10 714

COMPANY			GROUP	
2013	2014		2014	2013
R'000	R'000		£'000	£'000
		5.2 There is no significant concentration of credit risk with respect to outstanding rent trade receivables, as the group has a large number of tenants. As of 28 February 2014 and 28 February 2013, all outstanding rent trade receivables were fully performing. Restricted cash related to money held in an escrow account by solicitors until the conclusion of outstanding legal matters. The matter was resolved during the year under review.		
		5.3 The principal activity of Reward is to target the SME finance market and support SMEs in the UK with short-term asset based funding and debt factoring services. The business model is to provide short-term capital to cash-strapped companies. Reward's trade receivables are secured by a combination of properties, debtors, debentures and equity shares to the value of £27,2 million (2013: £22,9 million).		
		5.3.1 The exposure to risk and movement in the loan receivables balance is as follows:		
		Loans at start of year	9 751	4 750
		Gross outflows	31 551	17 622
		Interest and other fees	4 261	3 011
		Gross inflows	(32 703)	(15 632)
		Gross loan receivables at year end	12 860	9 751
		5.3.2 The loan loss rate is as follows:		
		Loan receivable at year end	12 860	9 751
		Provision for impairment of loan receivables	(495)	(345)
		Net balance	12 365	9 406
		Impairment charge in profit and loss	184	165
		Loan loss rate for the period	1.43%	1.69%
		5.4 The ageing of trade receivables are as follows:		
		Neither past due nor impaired	7 620	7 154
		Past due but not impaired		
		30 days past due	774	933
		60 days past due	69	1 970
		90 days past due	—	—
		More than 90 days past due	5 152	103
		Impaired	251	159
		Total gross balance	13 866	10 319

COMPANY 2013 R'000	COMPANY 2014 R'000		GROUP 2014 £'000	GROUP 2013 £'000
		5 Trade and other receivables (continued)		
		5.5 Movement in the provision for impairment of loan receivables were as follows:		
		Balance at beginning of the year	345	180
		Additional provision charged during the year	198	278
		Utilised during the year	(33)	—
		Released during the year	(15)	(113)
		Balance at end of the year	495	345
		5.6 Credit quality of trade receivables (net of provisions)		
		Trade receivables without external credit rating:		
		Group 1	3 093	4 665
		Group 2	8 534	5 142
		Group 3	1 744	167
			13 371	9 974

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

5.7 All trade and other receivables are denominated in Pound Sterling.

COMPANY 2013 R'000	COMPANY 2014 R'000		GROUP 2014 £'000	GROUP 2013 £'000
		6 Cash and cash equivalents		
		6.1 Consisting of:		
1 696	27	Cash at bank and on hand	9 677	4 392
—	—	Short-term bank deposits	15 515	25 792
1 696	27		25 192	30 184
		Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
		Cash and cash equivalents	25 192	30 184
		6.2 A cash deposit in the amount of	1 500	3 500
		serve as security for short-term borrowings (refer 14.3).		

Of the total cash balance £25,156,080 (2013: £30,051,061) is denominated in Pound Sterling and the remainder is held in Euro, South African Rand and Swiss Franc (2013: Euro, South African Rand and Swiss Franc).

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
		7	**Ordinary share capital**		
		7.1	Authorised:		
2 100	2 100		210 000 000 (2013: 210 000 000) ordinary shares of 1 cent each	191	191
		7.2	Issued:		
1 386	1 386		138 566 911 (2013: 138 566 911) ordinary shares of 1 cent each	122	122
		7.3	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.		
		7.4	During the prior year all treasury shares held by the group were sold for £133,000.		
		8	**Reserves**		
(1 909)	(9 486)	8.1	Non-distributable reserves	5 385	5 415
(2 145)	(9 722)		Foreign currency translation reserve	5 455	5 394
—	—		Other	(91)	—
236	236		Capital redemption reserve fund	21	21
			The company has recognised a negative foreign currency translation reserve of ZAR9,722,293 (2013: ZAR2,144,926). This arose on the translation of the Pound Sterling denominated results and financial position of a branch of the company.		
		8.2	Distributable reserve		
(644 065)	(651 245)		Accumulated loss	(49 236)	(55 628)
(645 974)	(660 731)			(43 851)	(50 213)
		9	**Preference share capital**		
		9.1	Authorised:		
893	893		89 250 000 (2013: 89 250 000) non-convertible, non-participating, non-transferable redeemable preference shares of 1 cent each	82	82
		9.2	Issued:		
574	574		57 391 218 (2013: 57 391 218) non-convertible, non-participating, non-transferable redeemable preference shares of 1 cent each	51	51

COMPANY			GROUP	
2013	2014		2014	2013
R'000	R'000		£'000	£'000

9 Preference share capital (continued)

9.3 The 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 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.

9.4 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.

9.5 Other than the preference shares there are no unlisted securities in the issued share capital of the company.

10 Long-term borrowings

COMPANY 2013 R'000	COMPANY 2014 R'000		GROUP 2014 £'000	GROUP 2013 £'000
		10.1 Consisting of:		
		Financial liabilities at amortised cost	17 545	—

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 rate of 2.75% + 3 month Libor (2013: nil).

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
		10.2	Financial liabilities at amortised cost		
		10.2.1	HSBC loan – secured		
			At beginning	—	—
			Drawn during the year	14 944	—
			Interest	86	—
			At end	15 030	—

On 24 December 2013 Inception Holdings S.ár.l. (a subsidiary of Moorgarth Holdings (Luxembourg) S.ár.l.) entered into a 5 year term loan of up to £21,544,000 to purchase and subsequently refurbish the Market Place Shopping Centre in Bolton.

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

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

		10.2.2	Europrop Holdings Limited – unsecured		
			At beginning	—	—
			Drawn during the year	2 500	—
			Interest	15	—
			At end	2 515	—

Inception Holdings S.ár.l. drew down £900,000 on 19 November 2013 and £1,600,000 on 13 January 2014 under the £7,500,000 Europrop Holdings Limited Loan Facility Agreement.

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

The loan is unsecured.

		10.3	Undrawn borrowing facilities:		
			HSBC loan	6 600	—
			Europrop Holdings Limited	5 000	—
				11 600	—
		10.4	Analysis of long-term borrowings:		
			Non-current	17 444	—
			Current (refer 14.1)	101	—
				17 545	—

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
		11	**Deferred taxation**		
			Deferred taxation assets (refer 11.1)	—	35
			Deferred taxation liabilities (refer 11.2)	(132)	(37)
			Net deferred taxation	(132)	(2)
		11.1	Deferred taxation assets		
			Taxable timing differences consisting of:		
			Tax losses	—	35
		11.2	Deferred taxation liabilities		
			Taxable timing differences consisting of:		
			Property, plant and equipment	(132)	(37)
		11.3	The gross movement on the deferred taxation is as follows:		
			At beginning	(2)	(5)
			Income tax charge (refer note 19.2)	(130)	3
			At end	(132)	(2)
		12	**Provisions**		
		12.1	Provision for lease repair liabilities	—	—
		12.2	In the beginning of the prior year this amount represents the directors' best estimate of the dilapidation claims that may arise following the sale of a large property portfolio prior to the establishment of Moorgarth. During the prior year the group entered into a Deed of Release with the counter party resulting in the reversal of the provision at the February 2013 year-end.		
		12.3	Reconciliation of carrying values		
			Balance at beginning of the year	—	2 870
			Released during the year	—	(2 870)
			Balance at end of the year	—	—

COMPANY 2013 R'000	COMPANY 2014 R'000		GROUP 2014 £'000	GROUP 2013 £'000
		13 Trade and other payables		
		Trade payables	847	586
1 467	1 705	Other payables and accrued expenses	1 341	998
		Lease guarantee liability	363	500
		Deferred income	1 011	1
		Social security and other taxes	314	233
1 467	1 705		3 876	2 318

The estimated fair values of the above financial liabilities are the discounted amounts of the estimated future cash flows expected to be received and approximate their carrying amounts.

The lease guarantee liability stems from an indemity given to Instore Ltd as part of a sale and purchase agreement.

Except for other payables amounting to ZAR713,544 (2013: ZAR755,770), all trade and other payable balances are denominated in Pound Sterling.

	GROUP 2014 £'000	GROUP 2013 £'000
14 Short-term borrowings		
14.1 Consisting of:		
UBS loan (refer 14.2)	6 436	6 706
Interest due on long-term loans (refer 10.4)	101	—
	6 537	6 706
14.2 Secured		
Repayable on 30 August 2014 and interest-bearing at 0.98% (2013: 1.0%) (refer 14.3)	6 436	6 706
14.3 The above loan is secured by:		
Listed share investment with a carrying amount of	8 130	6 657
Cash deposit in the amount of	1 500	3 500
	9 630	10 157

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
		15	**Revenue**		
			Interest received from clients	2 645	2 015
			Collect out fees	—	37
			Other fees	1 616	959
			Rental income	5 366	4 257
			Hotel revenue	2 932	2 827
				12 559	10 095
			The group has entered into various operating lease agreements as the lessor of property. The period of leases whereby the group leases out its investment property under operating leases varies from 1 year to 62 years (2013: 1 year to 34 years).		
			Future minimum lease payments receivable under non-cancellable operating leases are as follows:		
			Not later than one year	7 230	4 513
			Later than 1 year not later than 5 years	20 672	12 397
			Later than 5 years	72 121	17 193
				100 023	34 103
		16	**Other operating income**		
			Profit on sale of property, plant and equipment	17	—
			Sundry income	100	61
				117	61
		17	**Operating profit/(loss)**		
		17.1	Determined after taking into account the following:		
855	1 012		Employee benefit expenses	2 241	2 178
855	1 012		Salaries, wages and service benefits	2 216	2 132
—	—		Retirement benefit contributions	25	46
			Net foreign exchange losses	36	141
			Foreign exchange rate losses	269	141
			Foreign exchange rate profits	(233)	—
329	500		Auditors' remuneration	88	73
459	546		Audit fees – for this year	91	84
(130)	(46)		– over provided in the previous year	(3)	(11)
3 016	4 390		Fees paid for outside services	289	514
2 931	4 027		Administrative	266	297
—	256		Accounting fees	16	211
85	107		Secretarial	7	6
25	38		Operating leases – buildings	58	59
			Operating leases – machinery	12	28
			Profit on disposal of investment properties	—	(44)
81	252		Travel and office costs	545	382
			Unrecovered property costs	1 154	746
			Hotel operating costs	1 351	1 381

	GROUP 2014 £'000	GROUP 2013 £'000
17.2 Directors' remuneration		
17.2.1 Non-executive directors	22	22
Executive directors	649	674
	671	696

	Fees £'000	2014 Total £'000	2013 Total £'000
17.2.2 Non-executive directors			
M J Roberts	4	4	5
C Stassen	10	10	10
H R W Troskie	8	8	7
	22	22	22

	Basic remuneration £'000	Fees £'000	Management company fees £'000	2014 Total £'000	2013 Total £'000
17.2.3 Executive directors					
C Moore	182	—	—	182	185
T A Vaughan	247	—	—	247	236
C H Wiese	—	42	178	220	253
	429	42	178	649	674

17.2.4 Share options granted to directors

There are no outstanding share options at the end of the year (2013: nil).

17.2.5 Management company fees are paid to Chaircorp (Pty) Ltd in his capacity as employee (refer 27).

18 Finance income and cost

COMPANY 2013 R'000	COMPANY 2014 R'000		GROUP 2014 £'000	GROUP 2013 £'000
		Finance cost on short-term borrowings	66	63
		Finance cost on long-term borrowings	179	—
—	—	Total finance cost	245	63
(3)	(1)	Interest income on short-term bank deposits	(91)	(215)
		Other finance income	(66)	(42)
(3)	(1)	Total finance income	(157)	(257)
(3)	(1)	Finance (income)/cost – net	88	(194)

COMPANY 2013 R'000	COMPANY 2014 R'000			GROUP 2014 £'000	GROUP 2013 £'000
		19	**Taxation**		
		19.1	Classification:		
			South African normal taxation	—	—
			Foreign taxation	514	84
				514	84
		19.2	Consisting of:		
			Current taxation	400	189
			Prior year taxation	(16)	(102)
			Deferred taxation	130	(3)
				514	84
%	%			%	%
		19.3	Reconciliation of tax rate:		
28.0	28.0		South African normal tax rate	28.0	28.0
(28.0)	(28.0)		Net adjustment	(21.4)	(26.7)
(28.0)	(28.0)		Exempt income/non-deductible expenses	(19.2)	(25.1)
			Tax rate adjustment foreign tax differencial	(2.0)	—
			Prior year taxation	(0.2)	(1.6)
—	—		Effective tax rate	6.6	1.3

19.4 Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. In the prior year the group did not recognise deferred income tax assets of £82,303 in respect of losses amounting to £293,940. There was no tax losses carried forward for the current year.

20 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.

COMPANY			GROUP	
2013	2014		2014	2013
R'000	R'000		£'000	£'000
		20.1 Profit attributable to equity holders of the company	6 392	6 527
		Weighted average number of ordinary shares in issue ('000)	138 567	138 476
		The weighted average number of ordinary shares in issue in the prior year has been adjusted to take into account the 101,789 and 168,844 treasury shares which were issued 12 June 2012 (weighted average effect 29 002) and 12 July 2012 (weighted average effect 61 987) respectively.		
		Basic and diluted earnings per share (pence)	4.6	4.7
		The group has no dilutive potential ordinary shares.		
		20.2 Headline earnings:		
		Headline earnings per share (pence)	4.5	6.4
		Based on headline profit of	6 189	8 870
		Profit attributable to equity holders of the company	6 392	6 527
		Net (gain)/loss from fair value adjustment on investment property	(222)	2 800
		Profit on disposal of investment properties	—	(44)
		Loss on purchase of investment	3	—
		Profit on disposal of property, plant and equipment	(17)	—
		Total non-controlling interest effects of adjustments	33	(413)
		and the weighted average number of ordinary shares in issue of ('000)	138 567	138 476

21 Cash flow information

		21.1 Non-cash items		
		Depreciation	297	333
		Profit on disposal of investment properties	—	(44)
		Profit on disposal of property, plant and equipment	(17)	—
		Net (gain)/loss on fair value adjustment on investment properties	(222)	2 800
		Fair value gain on financial assets at fair value through profit or loss	(1 741)	(2 823)
		Impairment of loans	150	164
		Net unrealised foreign exchange rate losses	1	—
		Other non-cash items	3	—
		Release of provision for lease repair liabilities	—	(2 870)
			(1 529)	(2 440)

COMPANY 2013 R'000	COMPANY 2014 R'000		GROUP 2014 £'000	GROUP 2013 £'000
		21 Cash flow information (continued)		
		21.2 Changes in working capital		
156	—	Trade and other receivables	(1 479)	(620)
—	—	Inventories	—	24
(362)	238	Trade and other payables	1 558	279
(206)	238		79	(317)
		21.3 Taxation paid		
		Taxation per profit or loss	(514)	(84)
		Increase/(decrease) in taxation payable	37	(18)
		Change in deferred taxation	130	(3)
			(347)	(105)
		21.4 Instore Investment (refer 4.2.1)		
		Sales value	3 581	—
		Receivable at year-end	(1 801)	—
		Cash received during the year	1 780	—
		The Instore investment was sold during the year and the sales amount is repayable in monthly instalments of £200,000 until the full purchase amount is paid.		
		21.5 Proceeds from borrowings		
(14 443)	(23 946)	Borrowings at start of the year	(6 706)	(6 601)
—	(7 577)	Finance costs for the year	(179)	—
—	—	Effect of changes in exhange rate	267	—
23 946	36 744	Borrowings at end of the year	23 981	6 706
9 503	5 221		17 363	105
		22 Capital commitments		
		The group had no capital commitments at 28 February 2014 (2013: nil).		
		23 Operating lease commitments		
		The group leases retail outlets and offices under non-cancellable operating lease agreements.		
		The group also leases certain plant and machinery under cancellable operating lease agreements.		
		The future aggregate minimum lease payments under non-cancellable operating leases are as follows:		
		Expenditure to be incurred within 1 year	76	76
		To be incurred thereafter, but within 5 years	305	305
		To be incurred after 5 years	2 465	2 541
			2 846	2 922
		Total future sublease income receivable	1 663	—

	GROUP 2014 £'000	2013 £'000
24 Contingent liabilities		
24.1 Open tax enquiry	480	—

There is an open tax enquiry in relation to St Catherines Perth (1) S.ár.l., under which the maximum potential liability is £480,000 plus any interest accrued. There were no contingent liabilities for the year ended 28 February 2013.

25 Borrowing powers

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

26 Financial risk management

26.1 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.

26.2 Market risk – Foreign currency exchange risk

The group operates internationally predominantly within the United Kingdom, whilst certain functions are carried out in Switzerland, Luxembourg, Malta and South Africa. The group is therefore exposed to various forms of foreign exchange risk, primarily with respect to the Swiss Franc, South African Rand and the Euro.

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 not to enter into any currency hedging transactions, but the group has a number of natural hedges for currency risk in place through loans held within the group denominated in different currencies.

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.

26 Financial risk management (continued)

26.2 Market risk – Foreign currency exchange risk (continued)

26.2.1 Sensitivity analysis

The sensitivity analysis below details the group's sensitivity to a change in exchange rate between Pound Sterling and the Swiss Franc. 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 Pound Sterling would depreciate 5% against the Swiss Franc, net profit would be reduced by £0,3 million (2013: net profit would be reduced by £0,4 million).

26.2.2 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:

	2014 Average rate	2014 Closing rate	2013 Average rate	2013 Closing rate
SA Rand	R15,73	R17,98	R13,27	R13,62
Swiss Franc	SFr1,45	SFr1,48	SFr1,50	SFr1,42
Euro	€1,18	€1,22	€1,24	€1,16

26.2.3 Uncovered foreign assets and liabilities

The group had the following uncovered foreign assets and liabilities:

	2014 Foreign currency	2014 Pound equivalent	2013 Foreign currency	2013 Pound equivalent
Swiss Franc liabilities	9,5 million	6,4 million	9,5 million	6,7 million
Swiss Franc assets	12,0 million	8,1 million	9,4 million	6,7 million

26.3 Market risk – Interest rate risk

The group's income and operating cash flows are exposed to interest rate risk due to the extent of borrowings and market related interest rate arrangements, with the exception of borrowings of £17,545,000 (2013: £nil) bearing interest at a rate of 2.75% + 3 month Libor.

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. No derivative instruments have been entered into to manage interest rates during the year.

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

For the current year a 100 basis point increase in interest rates across the year would have resulted in a increase in the net profit of the group of £0,01 million (2013: £0,3 million increase in net profit), whilst a 100 basis point reduction in interest rates would have resulted in a reduction in the net profit of the group of £0,01 million (2013: £0,3 million reduction in net profit).

26.4 Market risk – Price risk

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

A 5% increase in the value of investments would increase the group's net profit by £0,4 million (2013: £0,5 million increase in net profit), whilst a 5% decrease in the value of investments would reduce the net profit by £0,4 million (2013: £0,5 million reduction in net profit).

26.5 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.

The group has no significant concentrations of credit risk.

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

26.5.1 Trade and other receivables

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

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

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

Short-term asset based funding provided to cash-strapped UK corporates are actively managed by the directors (refer note 5).

COMPANY 2013 R'million	COMPANY 2014 R'million		GROUP 2014 £'million	GROUP 2013 £'million
		26 Financial risk management (continued)		
		26.5 Credit risk (continued)		
		26.5.2 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 passed due nor impaired has been invested as follows:		
		Bank rating (as per Fitch Ratings)		
		F1 +	25,16	18,0
		F2	0,01	12,1
1,7	0,03	F3	0,03	0,1
1,7	0,03	Total	25,20	30,2
		The maximum amount of credit risk that the group is exposed to is £42,1 million (2013: £40,9 million) and has been calculated as follows:		
		Trade and other receivables	16,9	10,7
1,7	0,03	Cash and cash equivalents	25,2	30,2

26.6 Liquidity risk

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

The table on the next page 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 Less than 1 year R'million	COMPANY Between 2 and 5 years R'million	At 28 February 2014	GROUP Less than 1 year £'million	GROUP Between 2 and 5 years £'million
		Trade and other payables	4,0	—
		Interest-bearing liabilities	6,5	17,4
36,7	—	Loans from subsidiaries		
		At 28 February 2013		
1,5	—	Trade and other payables	2,4	—
		Interest-bearing liabilities	6,7	—
23,9	—	Loans from subsidiaries		

26.7 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:

28 February 2014 Assets (£'million)	Carrying value	Net gains	Total interest income	Total interest expense	Impairment
Financial asset at fair value through profit or loss	8,1	1,7	—	—	—
Trade and other receivables	16,9	—	2,6	—	(0,5)
Cash and cash equivalents	25,2	—	0,1	—	—
Liabilities (£'million)					
Long-term borrowings	17,4	—	—	(0,2)	—
Short-term borrowings	6,5	—	—	(0,1)	—
Trade and other payables	4,0	—	—	—	—

28 February 2013 Assets (£'million)	Carrying value	Net gains	Total interest income	Total interest expense	Impairment
Financial asset at fair value through profit or loss	10,2	2,8	—	—	—
Trade and other receivables	10,7	—	2,0	—	(0,3)
Cash and cash equivalents	30,2	—	0,3	—	—
Liabilities (£'million)					
Short-term borrowings	6,7	—	—	(0,1)	—
Trade and other payables	2,4	—	—	—	—

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 and loss.

COMPANY			GROUP	
2013 R'000	2014 R'000		2014 £'000	2013 £'000

26 Financial risk management (continued)

26.8 Capital risk management

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

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

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

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

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

The LTV ratios at 28 February 2014 and at 28 February 2013 were as follows:

	Group 2014 £'000	Group 2013 £'000
Total borrowings	23 981	6 706
Less: Short-term borrowings secured by cash deposits	(6 436)	(6 706)
Net debt	17 545	—
Investment property and owner-occupied properties	77 436	51 341
LTV ratio	23%	—

COMPANY 2013 R'000	COMPANY 2014 R'000		GROUP 2014 £'000	GROUP 2013 £'000
		26.9 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 assets that are measured at fair value at 28 February 2014:

	GROUP 2014 £'000	GROUP 2013 £'000
Level 1		
Financial assets at fair value through profit or loss	8 130	6 657
Level 3		
Non-financial assets at fair value through profit or loss	72 536	46 341
Financial assets at fair value through profit or loss	—	3 581
	72 536	49 922

The fair value of financial instruments traded in active markets is based on quoted market prices at 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.

In the prior year the fair value of the level 3 financial asset is not based on observable market data and the valuation was performed by the directors using the last offer price as well as current market conditions and financial performance by Instore.

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

COMPANY			GROUP	
2013	2014		2014	2013
R'000	R'000		£'000	£'000
		27 Related parties		
		Related party relationships exist between the company, its subsidiaries and the directors of the company. See page 64 for details of major shareholders and directors' interest.		
		Non-executive director, C H Wiese, is a director and indirect beneficial shareholder of Titan Share Dealers (Pty) Ltd, Granadino Investments (Pty) Ltd and Titan Global Investments (Pty) Ltd. He is also an employee of Chaircorp (Pty) Ltd, a management company that renders advisory services to Tradehold Ltd in return for an annual fee. The amount paid of £178,000 (2013: £211,000) to Chaircorp (Pty) Ltd for advisory services to Tradehold Ltd, are disclosed in note 17.		
		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 3. Details of the remuneration of the directors and their shareholding are disclosed elsewhere in the annual financial statements. The executives of all operating companies is seen as key management personnel.		
		The compensation of key management consist of:		
		Salaries and short-term/termination benefits	649	674
		Key management compensation was paid to:		
		Executive directors	649	674
		28 Share incentive scheme		
		28.1 In terms of the rules of the Tradehold Share Incentive Trust the trustees are empowered to acquire and allocate shares and to grant share options, which in total may not exceed 10% of the issued share capital of the company.		
		28.2 At 28 February 2014 the trustees of the Tradehold Share Incentive Trust had nil (2013: nil) shares and share options under their control. The options expired during the prior year and the Tradehold Share Incentive Trust is dormant.		

29 Events after the reporting period

29.1 Purchase of Mettle

On 3 March 2014 ("Acquisition Date"), Tradehold Limited acquired the total issued share capital as well as all shareholders' loans in Mettle Investments Proprietary Limited ("Mettle"). The initial purchase consideration, limited to ZAR32 million, is dependent on Mettle's profit after taxation for the year ending 28 February 2015 and its net asset value at 28 February 2015. The additional purchase consideration, limited to ZAR38 million, is dependent on Mettle's profit after taxation for the year ending 29 February 2016.

The purchase consideration will be settled in full through the issue of new Tradehold Limited shares. The excess of the purchase consideration over the net assets acquired will be recognised as goodwill at the Acquisition Date.

The results of the operations for Mettle will be included in Tradehold Limited's consolidated financial statements from the Acquisition Date.

The provisional carrying value of the assets and liabilities of Mettle as on the Acquisition Date are as follows:

Assets	R'000	£'000
Cash and cash equivalents	2 757	154
Other current assets	35 462	1 972
Non-current assets	88 197	4 905
Total assets	126 416	7 031
Liabilities		
Non-current liabilities	59 002	3 281
Current liabilities	32 055	1 783
Total liabilities	91 057	5 064
Total net assets	35 359	1 967

29.2 Purchase of office buildings

Moorgarth acquired two smaller office buildings in Central London. Both these transactions were completed after year-end:

29.2.1 The "West End"

128 Wigmore street was bought for £5.4 million on 30 April 2014. The building is located in the West End of London and has a total floor area of 4 563 square feet.

29.2.2 The "City"

24 Lime street was bought for £5.75 million on 25 April 2014. The building is located in the heart of the insurance district of the City of London and has a total floor area of 9 588 square feet.

30. 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 – retail
Property – commercial
Property – offices
Property – leisure
Property – other
Short-term lending
Treasury

The operating segments derive their revenue primarily from rental income from lessees and revenue from hotel operations. All of the group's business activities and operating segments are reported within the above segments.

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

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

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2014 is as follows:

(£'000)	Property Retail	Property Commercial	Property Offices	Property Leisure	Property Other	Short-term lending	Treasury	Group
Total segment revenue (external customers)	4 559	610	290	2 839	—	4 261	—	12 559
Trading profit/(loss)	3 274	167	(12)	35	122	3 137	(580)	6 143
Depreciation, impairment and amortisation	36	—	56	177	—	20	8	297
Income tax expense	81	27	3	(1)	—	409	(5)	514
Finance income	—	—	—	—	2	4	151	157
Finance cost	179	—	—	—	—	—	66	245
Write-back of provisions	—	—	—	—	125	—	137	262
Fair value adjustment to investment property	333	(111)	—	—	—	—	—	222
Total assets	64 324	6 929	4 225	6 541	1 101	15 096	29 931	128 147
Additions to investment properties	25 687	11	275	—	—	—	—	25 973
Total liabilities	20 142	122	99	409	70	317	7 049	28 208

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2013 is as follows:

(£'000)	Property Retail	Property Commercial	Property Offices	Property Leisure	Property Other	Short-term lending	Treasury	Group
Total segment revenue (external customers)	3 288	522	441	2 833	—	3 011	—	10 095
Trading profit/(loss)	11	(514)	(973)	1 119	(61)	2 036	1 943	3 561
Depreciation, impairment and amortisation	—	—	—	317	—	16	—	333
Income tax expense	(249)	(190)	—	(302)	229	268	328	84
Finance income	2	—	—	—	—	3	252	257
Finance cost	—	—	—	—	—	—	63	63
Write-back of provisions	—	—	—	—	—	—	2 870	2 870
Fair value adjustment to investment property	(1 753)	(430)	(617)	—	—	—	—	(2 800)
Total assets	36 732	6 817	4 000	6 750	197	11 820	36 720	103 036
Additions to investment properties	8 093	—	—	—	—	—	—	8 093
Disposal of investment properties	(450)	—	—	—	—	—	—	(450)
Total liabilities	756	42	23	426	2 883	581	4 532	9 243

All non-current assets are held in the United Kingdom and all revenue is generated in the United Kingdom.

Interest in subsidiaries

Tradehold Limited and its subsidiaries at 28 February

	Issued share capital	Percentage shares held by group	
		2014	2013
	£	%	%
SUBSIDIARIES			
Moorgarth Holdings Ltd (Incorporated in England and Wales)	1	100	100
Moorgarth Group Ltd (Incorporated in England and Wales)	100	100	100
Moorgarth Holdings (Luxembourg) S.àr.l. (Incorporated in Luxembourg)	12 500	85	85
Tauri Holdings S.ár.l. (Incorporated in Luxembourg)	10 923	75	—
Inception Holdings S.ár.l. (Incorporated in Luxembourg)	€12 500	100	100
Tradegro S.àr.l. (Incorporated in Luxembourg)	94 927 327	100	100
Moorgarth Properties (Luxembourg) S.àr.l. (Incorporated in Luxembourg)	10 000	100	100
Clumber Park Hotel LLP (Incorporated in England and Wales)	60 000	100	100
Reward Investments Ltd (Incorporated in England and Wales)	1	90	90
St Catherines Perth (1) S.ár.l. (Incorporated in Luxembourg)	12 500	100	100

Note:
General information in respect of subsidiaries is set out in respect of only those subsidiaries, the financial position or result of which are material for a proper appreciation of the affairs of the group. A full list of subsidiaries is available on request.

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.

The total non-controlling interest for the period is £611,914 (2013: £328,486), of which £604,901 (2013: £379,436) is for Reward Investments Ltd and £7,013 (2013: -£50,950) is attributed to Moorgarth Holdings (Luxembourg) S.ár.l.

Summarised information on subsidiaries with material non-controlling interests

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

Summarised balance sheet

	Reward Investments Ltd		Tradehold Group	
	2014 £'000	2013 £'000	2014 £'000	2013 £'000
Current				
Assets	15 563	12 126	50 274	51 136
Liabilities	(12 942)	(10 815)	(10 581)	(9 155)
Total current net assets	2 621	1 311	39 693	41 981
Non-current				
Assets	29	39	77 873	51 900
Liabilities	—	—	(17 627)	(88)
Total non-current net assets	29	39	60 246	51 812
Net assets	2 650	1 350	99 939	93 793

Summarised income statement

	Reward Investments Ltd 2014 £'000	Reward Investments Ltd 2013 £'000	Tradehold Group 2014 £'000	Tradehold Group 2013 £'000
Revenue	4 261	3 011	12 559	10 095
Profit before taxation	2 408	1 437	7 796	6 578
Taxation	(409)	(268)	(514)	(84)
Other comprehensive income	—	—	61	(47)
Total comprehensive income	1 999	1 169	7 343	6 447
Total comprehensive income allocated to non-controlling interests	706	260	890	(33)
Distributions paid to non-controlling partners	(700)	—	(700)	—

Summarised cash flows

	Reward Investments Ltd 2014 £'000	Reward Investments Ltd 2013 £'000	Tradehold Group 2014 £'000	Tradehold Group 2013 £'000
Net cash (used in)/generated from operating activities	(384)	(3 890)	5 678	3 716
Net cash used in investing activities	(9)	(21)	(27 394)	(12 720)
Net cash generated from financing activities	710	5 244	16 663	238
Net increase/(decrease) in cash and cash equivalents	317	1 333	(5 053)	(8 766)
Cash and cash equivalents at beginning of the year	2 355	1 022	30 184	38 997
Effect of changes in exchange rate	—	—	61	(47)
Cash and cash equivalents at end of the year	2 672	2 355	25 192	30 184

The information above for Reward Investments Ltd is the amount before inter-company eliminations.

Property portfolio analysis

Tradehold Limited and its subsidiaries at 28 February 2014

1. Property schedule

Location	Sector	Gross lettable area (square feet)	Rental per square foot (£)	Average rental escalation (%)	Gross lettable area (%)	Revenue (%)
	Industrial: total	193 127	3,75	—	19.4	7.9
Ogden Road Industrial Estate, Doncaster	Industrial	65 000	4,15			
J4 Technology Park, Skelmersdale	Industrial	43 000	4,88			
Constantine Street, Oldham	Industrial	44 265	3,00			
Bath Road, Felling	Industrial	40 862	2,74			
Cookridge Street, Leeds	Leisure	6 637	12,43	—	0.6	0.9
	Offices: total	90 466	9,21	1.0	9.1	9.1
Wilmingtone Grove, Leeds	Offices	63 000	3,10			
Southfield, Harrogate	Offices	8 150	15,09			
Cookridge Street, Leeds	Offices	5 616	15,49			
Wigmore Street, London	Offices	4 500	77,78			
Westbourne Centre, Barrhead	Offices	9 200	8,50			
	Retail: total	707 562	10,65	3.5	70.9	82.1
S Jennings, Middlesborough	Retail	66 200	8,57			
Westbourne Centre, Barrhead	Retail	30 800	8,50			
Bitterne, Southampton	Retail	16 828	12,09			
Boundary Road, Prestwick	Retail	18 000	8,06			
High Street, Bromsgrove	Retail	17 590	5,97			
119 – 125 Marygate, Berwick-Upon Tweed	Retail	6 450	15,27			
High Street, Johnstone	Retail	6 734	8,91			
Main Street, Baillieston	Retail	7 900	6,84			
High Street, Irvine	Retail	6 467	4,25			
Dalrympal Street, Girvan	Retail	5 650	6,55			
St Catherine's Perth	Retail	65 000	14,25			
Market Place, Bolton	Retail	354 943	10,79			
Rutherglen	Retail	105 000	11,62			
					100.0	100.0

All the above properties are located in the United Kingdom. The average annualised rental yield amounts to 11.4%.

2. Tenant profile

	%
A – Large nationals, large listeds, government and major franchisees	71
B – Nationals, listeds, franchisees, and medium to large professional firms	14
C – Other	15
	100

There are 79 tenants in Category C.

3. Vacancy profile based on gross lettable area

	%
Industrial	3.4
Leisure	—
Offices	7.8
Retail	12.0
	23.2

4. Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	9.3	—	1.7	—
Leisure	—	—	—	1.4
Offices	4.8	—	0.4	—
Retail	15.5	7.3	8.6	51.0

5. Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	16.2	—	4.5	—
Leisure	—	—	—	0.9
Offices	1.2	—	0.4	—
Retail	10.9	3.7	5.5	56.7

Property portfolio analysis

Tradehold Limited and its subsidiaries at 28 February 2013

1. Property schedule

Location	Sector	Gross lettable area (square feet)	Rental per square foot (£)	Average rental escalation (%)	Gross lettable area (%)	Revenue (%)
	Industrial: total	193 127	3,81	—	30.3	14.6
Ogden Road Industrial Estate, Doncaster	Industrial	65 000	4,31			
J4 Technology Park, Skelmersdale	Industrial	43 000	4,88			
Constantine Street, Oldham	Industrial	44 265	3,00			
Bath Road, Felling	Industrial	40 862	2,74			
Cookridge Street, Leeds	Leisure	6 637	14,21	—	1.0	1.9
	Offices: total	85 966	5,62	2.5	13.5	9.6
Wilmingtone Grove, Leeds	Offices	63 000	3,10			
Southfield, Harrogate	Offices	8 150	15,09			
Cookridge Street, Leeds	Offices	5 616	15,49			
Westbourne Centre, Barrhead	Offices	9 200	8,50			
	Retail: total	352 619	10,55	3.5	55.2	73.9
S Jennings, Middlesborough	Retail	66 200	8,57			
Westbourne Centre, Barrhead	Retail	30 800	8,50			
Bitterne, Southampton	Retail	16 828	12,09			
Boundary Road, Prestwick	Retail	18 000	8,06			
High Street, Bromsgrove	Retail	17 590	5,97			
119 – 125 Marygate, Berwick-Upon Tweed	Retail	6 450	15,27			
High Street, Johnstone	Retail	6 734	8,91			
Main Street, Baillieston	Retail	7 900	6,84			
High Street, Irvine	Retail	6 467	6,19			
Dalrympal Street, Girvan	Retail	5 650	6,55			
St Catherine's, Perth	Retail	65 000	14,25			
Rutherglen	Retail	105 000	11,62			
					100.0	100.0

All the above properties are located in the United Kingdom. The average annualised rental yield amounts to 9.6%.

2. Tenant profile

	%
A – Large nationals, large listeds, government and major franchisees	58
B – Nationals, listeds, franchisees, and medium to large professional firms	23
C – Other	19
	100

There are 55 tenants in Category C.

3. Vacancy profile based on gross lettable area

	%
Industrial	5.4
Leisure	—
Offices	12.0
Retail	4.8
	22.2

4. Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	4.9	5.4	—	1.5
Leisure	—	—	—	4.0
Offices	8.9	0.8	—	0.3
Retail	10.2	4.1	7.2	52.7

5. Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	7.8	17.1	—	7.1
Leisure	—	—	—	1.3
Offices	1.3	0.5	—	0.1
Retail	9.1	2.1	2.5	51.0

Shareholders' profile

	Number of holders	Percentage of shareholders	Number of shares held	Percentage holding
Distibution of shareholders				
Non-public shareholders				
Directors	4	0.29	118 013 508	85.2
Public shareholders	1 375	99.71	20 553 403	14.8
Total	1 379	100.00	138 566 911	100.0

	Number of shares held	Percentage holding
Major shareholders		
Granadino Investments (Pty) Ltd	79 382 297	57.3
Titan Global Investments (Pty) Ltd	28 695 605	20.7

Directors' interest

At 28 February 2014 the interest of the directors in the issued shares in the company were as follows:

	Direct beneficial	Indirect non-beneficial	Total 2014	Total 2013
C Moore	—	12 000	12 000	12 000
M J Roberts	—	—	—	—
C Stassen	—	100 954	100 954	150 954
H R W Troskie	—	—	—	—
T A Vaughan	—	—	—	—
C H Wiese	—	117 870 246	117 870 246	117 117 446
J D Wiese	—	30 308	30 308	30 308
	—	118 013 508	118 013 508	117 310 708

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

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