TRADEHOLD LTD

Integrated Report 2017

Positioning

Where in the past the bulk of Tradehold's property assets were held in the UK and elsewhere in Southern Africa, the acquisition of the Collins Group's South African portfolio of 152 mainly industrial buildings during the past financial year has changed that situation to the extent where the major part of its gross assets are now in South Africa. In addition to its property portfolios which represent the bulk of its assets, Tradehold also owns financial services businesses in the UK and in South Africa. It holds its property assets in the UK through a 100% interest in the Moorgarth Group; in Africa, through a 100% ownership of Tradehold Africa; and in South Africa through its 100% ownership of the Collins Group. Its financial services interests are vested in companies in the UK and in South Africa. In the UK it has, through Reward Finance Group, an indirect holding of 70% in the three operating Reward companies – Reward Capital, Reward Invoice Finance and Reward Trade Finance – while in South Africa it wholly owns the multi-faceted Mettle Investments.

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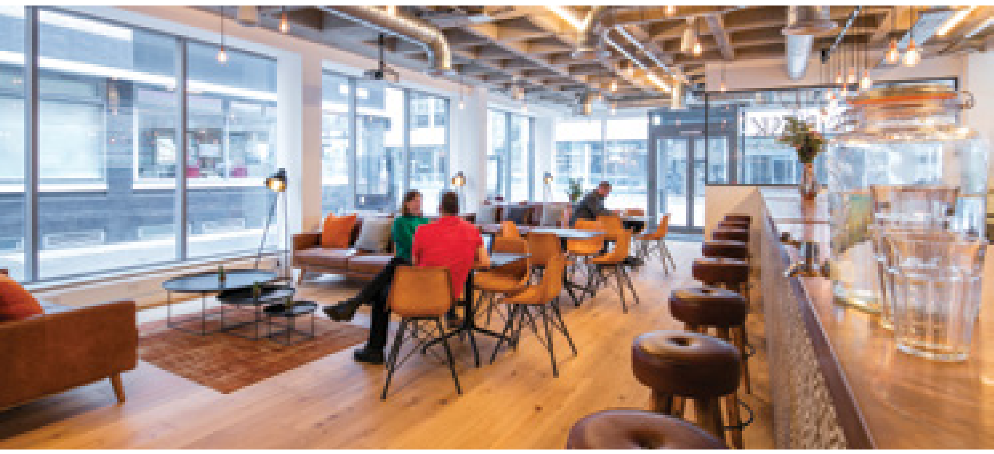
The Boutique Workplace Company (TBWC), London, UK



Chairman's statement & review of operations

"While interest rates are expected to remain at their present record low levels for the foreseeable future, the weakness of the pound, trading at up to 25% below its high in 2016, has prompted ongoing interest from foreign investors particularly in industrial and commercial properties."

Stakeholder approach

Our shareholders and stakeholders are the main users of the integrated report. Its contents is therefore determined by their needs.

Operating environment

Brexit has brought considerable political and financial uncertainty to the UK. This will continue to impact the country's economy and thus also its property market. Moreover, the retail sector has come under increasing pressure as retail sales recorded their lowest levels since 2010, as a result of the drop in consumer disposable income, compounded by a weaker pound. Fortunately, the property market has begun to stabilise recently. While interest rates are expected to remain at their present record low levels for the foreseeable future, the weakness of the pound, trading at up to 25% below its high in 2016, has prompted ongoing interest from foreign investors particularly in industrial and commercial properties.

Almost all of Africa is experiencing a slowdown in economic growth. The countries in which Tradehold is active, are no exception. For much of the reporting period Southern Africa found itself in the grip of a devastating drought which decimated crops. Its impact has been exacerbated by the continued slide in the prices of commodities, the mainstay of many African countries, putting considerable pressure on employment. However, towards the end of the reporting period the situation started to improve following abundant rains and a surge in commodity prices.

Financial results

In the year to February 2017 Tradehold substantially increased the size of its business through the acquisition of the South African portfolio of the Collins Group after purchasing its property assets in the UK and Africa outside South Africa in the previous financial year. The results of the latest acquisition were integrated in Tradehold's results for the final two months of the financial year while the strong growth in its UK business further boosted its overall performance. During the reporting period total assets grew by 213% to £998 million from £319 million while revenue increased by 80% to £51.6 million (2016: £28.7 million). Total profit attributable to shareholders rose by 210% to £44.3 million (2016: £14.3 million). This includes a £27 million gain (2016: £4.6 million) in the fair-value adjustment of its investment properties. Despite an increase of almost 59 million in the number of shares in issue, core headline earnings per share as defined by the entity, increased 112% to 13.8 pence from 6.5 pence and net asset value per share increased by 40% to 119.4 pence from 85.1 pence.

Property

Moorgarth

During the year Moorgarth has grown the value of its portfolio by £36 million to £174.2 million, or £218 million if its interest in joint ventures, which are not reflected in the balance sheet, are included. It acquired five new properties at a cost of £46.1 million, some of them in joint ventures with the long established South African Moolman Property Group. During the reporting period it grew turnover by 76% to £28.8 million and its contribution (net profit plus group interest) by 121% to £18.1 million. Return on equity increased to 21.7% from 11.4%.

Parkgate, Shirley, Solihull, West Midlands, UK

The strong growth in turnover was due largely to the full-year effect of the acquisition of the leading central London serviced-office provider, Ventia Ltd. Its operations have been fully integrated with those of Moorgarth's own The Boutique Workplace Company (TBWC). Together they now operate 31 business centres offering 3 500 work stations in London. TBWC has been able to capitalise on the uncertainty and volatility in the market as companies, unwilling to enter into long-term commitments, sought flexible solutions for their businesses, turning increasingly to serviced-office accommodation. In the light of this demand, Moorgarth is looking to expand its existing facilities in central London while also investigating the potential of serviced apartments in the same area. It is at present acquiring properties in the capital for the sole purpose of leasing these to TBWC for conversion to serviced-office space.

During the reporting period Moorgarth's central focus remained on growing asset value across the existing portfolio through the pro-active management of its properties. As part of the process it disposed of a number of smaller legacy properties above their 2016 book value to allow management to focus its energies on the major assets in the portfolio. New properties are only acquired if they offer substantial potential for value enhancement. Once part of the portfolio, such properties are aggressively managed to unlock their full potential, a process in which Moorgarth's property management division, established in the previous financial year, plays a crucial role.

Lettings in the company's two regional shopping centres – The Market Place Shopping Centre in Bolton in the greater Manchester area and the Broad Street Mall in Reading near London – are at more than satisfactory levels in an environment in which occupiers, due to the suppressed retail environment, are able to drive very hard bargains. With its renovation virtually complete, The Market Place was independently valued at year-end at £68.2 million, a year-on-year increase of £11.9. The property was acquired several years ago for £24.9 million.

Of particular note this year has been Moorgarth's success in winning the Revo Gold Award for The Market Place. This is a national award for the best in class refurbishment of a shopping centre throughout the UK. The award focused on Moorgarth's innovation, commercial acumen and willingness to partner with the key stakeholder in Bolton. The scheme, which includes a 9 screen cinema and 6 restaurants on a heritage property, has been a catalyst for the regeneration of the town as a whole. Moorgarth's creative marketing campaign has won it three further awards during the year, once again against major institutional competition. These accolades have raised its profile enormously and demonstrate a new, refreshing, innovative and creative approach to asset management.

Tradehold Africa

The benefits of Tradehold Africa's acquisition of the Collins Group's property assets in certain neighbouring countries in Southern Africa became increasingly evident in the 12 months under review. With the acquisition also came the expertise of the Collins Group's team of professional property asset managers and developers, thereby reinforcing Tradehold's focus on proactive asset management and development.

The value of Tradehold Africa's portfolio, outside South Africa, increased from £62.8 million to £119.3 million while its contribution to total group profits escalated from £1.4 million to £8.7 million.

A strong focus remained during the year on Tradehold Africa's operations in Namibia which the group intends listing on the Namibian Stock Exchange once the local portfolio of mainly retail and commercial properties reaches a size justifying such a step.

The Dunes Mall, a major retail centre in Walvis Bay co-owned with South Africa's Atterbury Group, is due for completion in October while a regional

Chairman's statement & review of operations (continued)

shopping centre of equal size in Rundu in the north is trading well after opening its doors in the previous financial year. At the same time Tradehold Africa has several projects under construction in the capital, Windhoek, in conjunction with Safland, its Namibian development partner.

In Maputo in Mozambique the group's major residential development was completed at a cost of US$45 million and handed to its major long-term tenants, the US Embassy and the oil-exploration company Anadarko. Also in the capital Tradehold acquired, in a strategic alliance with Atterbury, 75% of a company owning a major warehouse development near the city's airport leased on a ten-year contract to British American Tobacco (BAT). A retail centre in the northern port city of Pemba which will be anchored by Shoprite, is expected to be completed during the present calendar year. A strategic decision was taken to delay the construction of a shopping centre in Beira which is also being undertaken as a joint venture with Atterbury, until such time as the country's economic outlook improves.

Collins Group

Towards the end of its financial year Tradehold acquired the Collins Group's South African property portfolio, as well as its property development and management business after earlier acquiring its UK and African portfolios. The purchase price of R1.7 billion was settled by means of R60 million in cash and the issuing of 57.7 million new Tradehold shares at R28.73 per share. Valued at R8.3 billion with a net asset value of R1.7 billion, the diversified South African portfolio consists of 152 commercial, industrial and retail properties with a total gross lettable area (GLA) of 1.6 million square metres, occupied by mainly national tenants. At year-end the vacancy rate was a low 0.8% of GLA.

The transaction offered Tradehold the opportunity to acquire an extensive portfolio of quality properties, together with a highly rated team of property asset managers and developers with a reputation built up over generations. It created a perfect fit for Tradehold in its stated objective of growing its balance sheet to the point where it could engage in major property transactions both here and in the UK.

Financial services

Reward

In the 12 months to February 2017, Reward continued to build on the success of previous years, with turnover increasing by 13.6% to £7.5 million while its net profit contribution to the group (net profit after minorities plus group interest) was 12% higher at £3.7 million (2016: £3.3 million). At year-end its total loan book had grown to £40 million from £32 million the previous year. The business consists of three operating units: Reward Capital, which focuses on short-term, asset-backed loans to smaller businesses; Reward Invoice Finance, which offers bespoke invoicing-discounting facilities to similar-sized ones; and Reward Trade Finance. During the reporting period there was an increasing focus on invoice financing which grew by 80% to £10.8 million. Reward is a solid business which is finding an increased demand for its services against the backdrop of continuing reticence by the banks to extend loan facilities to small and medium-sized businesses.

Mettle

The various divisions of Cape-based Mettle Investments generated a net after-tax profit of £777 000 (2016: £785 000) which was 1% lower than in the previous year. This was due mainly to the fact that the recently established

Parkgate, Shirley, Solihull, West Midlands, UK

Market Place Shopping Centre, Bolton, UK

Mettle Solar, which specialises in solar power solutions in Southern Africa, still requires substantial capital investment to sustain its strong growth. Mettle Solar commissioned seven new projects during the year, four in Namibia and three in South Africa, to bring its total number of projects to 13. In the new financial year Mettle will continue to seek acquisition opportunities providing a strategic fit to further bolster its financial services offering.

Prospects

We expect political and financial volatility to continue if not escalate in the UK as the Brexit negotiations progress and the implications of the separation from the rest of the EU become increasingly clear. However, we are confident that Moorgarth is well positioned to cope with the changing environment. Our expanding serviced-office accommodation is playing an increasingly important role in income generation while we expect to continue benefiting from management's entrepreneurial flair, supported by the company's ready access to finance, in acquiring top-quality assets at highly competitive prices in a market characterised by investor uncertainty. At the same time the properties in Moorgarth's existing portfolio all still offer considerable potential for further value enhancement which are being actively pursued.

Although the economic slowdown in our Southern African markets has led to certain projects being temporarily placed on hold, we have the fullest confidence that with improving agricultural and mining conditions we shall be able to implement and add to our present development pipeline. At the same time we shall be placing a strong accent on developing and growing our newly acquired South African portfolio. As a board we are therefore confident that the company will continue to provide an above-average return on investment, with our financial services divisions continuing to maintain its growth momentum.

Sustainability context

Tradehold's strength is built on achieving economic sustainability in adverse market conditions. In the short term, the board of directors will continue to focus on measures needed to keep the Group profitable despite the many challenges confronting it in the various markets in which it operates. Tradehold's management approach to its subsidiaries is to be actively involved in day-to-day operations and to maintain open and ongoing communication with subsidiaries' executive and management teams. This approach affords the executive charged with oversight responsibility the insight and influence into all major decisions necessary for ongoing risk management and to ensure that we meet our short-term objectives.

Acknowledgments

The year under review has presented us with many challenges on many fronts, challenges which will continue to confront us in the new financial year. However, the results achieved in the past year also clearly illustrate our ability not only to confront those challenges successfully, but also to exploit them to our advantage. I am of the firm belief that we shall continue doing so also in future, my confidence being based on the dedication of management and staff which they illustrate daily in every aspect of the business.

CH WIESE
Chairman

23 May 2017

Broad Street Mall, Reading, UK

Tagwright House, London, UK

Corporate governance

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

- A 100% interest in the property-owning and serviced office business Moorgarth group of companies
- A 70% interest in asset-backed, short-term lender Reward, based in the United Kingdom
- A 100% holding in financial services business Mettle based in South Africa
- A 100% stake in property-owning and property development Tradehold Africa group of companies, based in Mauritius and
- A 100% stake in property-owning and property development Nguni Property Fund group of companies, based in Namibia.
- A 100% stake in the property-owning Collins Property Group of companies based in South Africa

It conducts treasury activity through its wholly-owned finance company, Tradegro S.á r.l. Transactions within the Moorgarth Group deal mainly with the acquisition, development, refurbishment, letting, and sale of property assets, and a serviced office business. At year-end the Moorgarth Group owned and managed 28 commercial properties.

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

Board and board committees

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

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

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

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

The composition of the board, outlined above and below, reflects the position at the end of February 2017, and the attendance of board and committee meetings is for the financial year.

Composition of the board at 28 February 2017 and attendance of meetings for the financial year.

Board of directors	Qualification	Date of appointment	Age	Executive/ independent non-executive	Meetings attended (out of 2)	Other significant directorships
Dr CH Wiese	BA, LLB, D Com (HC)	29 September 2000	75	Non-executive	1	Chairman of Steinhoff Supervisory Board, Shoprite Holdings Limited and Invicta Holdings Limited, director of Brait SE and various other companies.
Mr HRW Troskie	B Juris, LLB, LLM	27 April 2006	47	Independent non-executive#	2	Brait SE and Ardagh Group S.A.
Mr MJ Roberts	BA, SEDP	28 February 2012	70	Independent non-executive	2	
Mr JM Wragge		27 May 2014	69	Independent non-executive	1	Gritprop Investments (Pty) Ltd, Mountain Mill Shopping Centre (Pty) Ltd and various other companies.
Mr KR Collins		22 December 2016	45	Non-executive	—	Texton Property Fund Limited, Collins Property Group and various other companies.
Ms KL Nordier	BAcc, BCompt Hons, CA(SA)	27 May 2014	50	Executive	2	
Mr TA Vaughan	BSc (Hons) MRICS	10 November 2010	51	Executive	2	Managing director of Moorgarth Group.
Mr FH Esterhuyse	BAcc Hons, MCom(Tax), CA(SA)	27 May 2014	47	Executive	2	Managing director of Mettle Group.
Mr DA Harrop	BA Hons, ACA	27 May 2014	47	Executive	2	Financial director of Moorgarth Group.

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

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

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

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

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

Audit committee report

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

1. **Functions of the audit committee**
   The audit committee has adopted a formal terms of reference, delegated to it by the board. The audit committee wishes to report that it has:
   1.1. Reviewed the interim and preliminary results and the year-end annual financial statements, as well as the content of the integrated report, culminating in a recommendation to the board to adopt it.
   1.2. Reviewed the external audit reports on the annual financial statements.
   1.3. Reviewed risk management and internal control reports of the group and, where relevant, made recommendations to the board.
   1.4. Verified the independence of the external auditors, nominated PricewaterhouseCoopers Inc. as the auditors for 2017 and noted the appointment of Mr Anton Wentzel as the designated auditor.
   1.5. Approved the audit fees and engagement terms of the external auditors.
   1.6. Determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors.

2. **Members of the audit committee and attendance at meetings**
   The audit committee aims to fulfil the roles and responsibilities as required by the Companies Act and King III. The audit committee consists of three members.

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

Audit committee	Qualification	Date of appointment	Age	Executive/ independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	15 February 2008	47	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	28 February 2012	70	Independent non-Executive	2
Mr JM Wragge		27 May 2014	69	Independent non-Executive	1

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

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

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

5. **Statement on effectiveness of internal financial controls**
   The audit committee reviewed the financial reports submitted for the group and through discussion with management and the external auditors herewith reports that internal financial controls were adequate and operated effectively for the financial year ended 28 February 2017.

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 1)
Mr HRW Troskie	B Juris, LLB, LLM	25 October 2012	47	Independent non-executive	1
Mr MJ Roberts	BA, SEDP	27 May 2014	70	Independent non-executive	1

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

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

Corporate governance (continued)

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

Social and ethics committee

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

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

Social and ethics committee	Qualification	Date of appointment	Age	Executive/ independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	28 May 2012	47	Independent non-executive	2
Mr. MJ Roberts	BA, SEDP	28 May 2012	70	Independent non-executive	2
Mr JM Wragge		27 May 2014	69	Independent non-executive	1

Risk management and internal control

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

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

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

Key risks and mitigating strategies are detailed below:

- The economic climate in the UK as it pertains to the commercial property market poses the most significant risk to the group. The performance of the past year has been satisfactory due to the skill and care exercised by the Moorgarth executives charged with the oversight responsibility. Exposu re to the property market in the southern African continent has also been identified as a key risk as the group expands its portfolio under Collins South Africa in 2017. An experienced management team has been sourced to mitigate this risk.
- Key risks facing Moorgarth Group include inappropriate acquisitions and loss of income due to tenant failure or vacancies or failure of the Ventia serviced office business acquired during the year. These risks are mitigated through the performance of full legal and financial due diligences, formal review and approval by the Tradehold Limited directors for all acquisitions, ongoing communication with tenants, and strong marketing initiatives in respect of vacant properties through a range of channels.
- Reward makes loans to small businesses on a short-term basis. The loans are secured by the assets of the borrower. Borrowers are typically businesses that do not qualify for the lending criteria of the UK banking sector especially given the current practices of the formal banking sector. The risk in this business is the failure of the borrower, but this is mitigated through taking security over the assets of the borrower.
- Mettle is a diversified financial services business engaging in invoice discounting, secured loans, incremental housing finance, specialised finance and outsourced credit administration for asset finance. The main risks in this business are the failure to recover invoice discounting debtors, but this is mitigated through strict take-on procedures, ongoing monitoring, and control over debtor receipts.

Integrity and ethics

Tradehold Limited at all times endeavours to maintain the highest standard of integrity in dealing with its clients, staff, the authorities, shareholders, suppliers and the investor community and, in doing so, to ensure the largest measure of credibility, trust and stability. Structures and procedures are in place for the reporting of unethical behaviour. The chief executive of each group company is responsible for ethical behaviour within his organisation. The board is of the opinion that a high level of standards was being maintained by the group and it is not aware of any instances of unethical behaviour during the year ended 28 February 2017.

Gender diversity

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

Tradehold Limited
(Incorporated in the republic of South Africa)
(Registration number 1970/009054/06)
JSE code: TDH
ISIN: ZAE000152658
("Tradehold" or "the company")

Notice to shareholders

Tradehold Limited and its subsidiaries

Notice is hereby given that the annual general meeting ("AGM") of the shareholders of Tradehold will be held in the boardroom at the head office of Pepkor Limited, located on the 3rd floor of the Pepkor Building at 36 Stellenberg Road, Parow Industria, at 10am on Friday, 11 August 2017.

The purpose of the AGM is to pass the ordinary and special resolutions set out in this notice, with or without modification:

Attendance and voting

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

– receive notice of the AGM, i.e. the Notice Record Date (being the date on which a shareholder must be registered in the company's share register in order to receive notice of the AGM as Friday, 28 July 2017; 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, 4 August 2017.

Accordingly, the last day to trade in the company's shares to be recorded in the share register on the voting record date is Tuesday, 1 August 2017.

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 2017 including the auditor's report be adopted.

Additional information:
The complete electronic copy of the audited Annual Financial Statements, including the Directors' Report, Auditor's Report and the Report by the Chairman is available online at: www.tradehold.co.za.

Voting requirement:
Ordinary resolution number 1 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 2

That PricewaterhouseCoopers Inc, as nominated by the company's audit committee, be re-appointed as independent auditors of the company to hold office until the conclusion of the next AGM of the company. It is to be noted that Mr A Wentzel is the individual and designated auditor who will undertake the company's audit for the financial year ending 28 February 2018.

Voting requirement:
Ordinary resolution number 2 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 3

That Mr MJ Roberts who retires as director in terms of the Memorandum of Incorporation ("MOI") of the company and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr MJ Roberts is 70 years of age and has the qualification BA, SEDP.

Voting requirement:
Ordinary resolution number 3 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 4

That Mr J D Wiese who retires as an alternate director to Dr C H Wiese in terms of the MOI and, being eligible, offers himself for re-election to the Board as an alternate director, be re-appointed. Mr Wiese is 36 years of age and has the qualification BA, LL B, M Com. Mr Wiese is a director and alternate director in various public and private companies including Shoprite Holdings Limited and Digicor Holdings Limited.

Voting requirement:
Ordinary resolution number 4 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 5

That, Mr KR Collins who was appointed as director with effect from 22 December 2016 and retires in terms of the MOI and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr Collins is 47 years of age and is a non-executive director of various subsidiaries of the company including Collins Property Projects (Pty) Ltd, Imbali Props 21 (Pty) Ltd and Saddle Path Prop 69 (Pty) Ltd.

Voting requirement:
Ordinary resolution number 5 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 6

That, subject to the provisions of the Act and in accordance with the JSE Limited ("JSE") Listings Requirements ("Listings Requirements"), the Board is hereby authorised to issue ordinary shares of no par value 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 and other applicable Listings Requirements, 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;

Notice to shareholders (continued)

Tradehold Limited and its subsidiaries

- that securities which are the subject of the issue for cash may not exceed 15% of the company's listed equity securities as at the date of this notice of AGM (this number of shares being 37 063 939);
- that in determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price as determined over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities; and
- that any such issue will only be made to public shareholders as defined by the Listings Requirements and not to related parties.

Reason and effect:
The reason and effect of this resolution is to empower the Board to issue shares for cash or for acquisitions within the limits imposed by the above terms.

Voting requirement:
In terms of the Listing Requirements, ordinary resolution number 6 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 7

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.

Voting requirement:
Ordinary resolution number 7 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 8

That the following independent directors of the company be elected as members of the audit committee of the company, each member to be voted on separately, until the conclusion of the next AGM of the company:
HRW Troskie
MJ Roberts
JM Wragge

Voting requirement:
Ordinary resolution number 8 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 9

That the following directors of the company be elected as members of the social and ethics committee of the company, each member to be voted on separately, until the conclusion of the next AGM of the company:
HRW Troskie
MJ Roberts
KL Nordier

Voting requirement:
Ordinary resolution number 9 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 10

That the following independent directors of the company be elected as members of the remuneration committee of the company, each member to be voted on separately, until the conclusion of the next AGM of the company:
HRW Troskie
MJ Roberts

Voting requirement:
Ordinary resolution number 10 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary resolution number 11

It is resolved as a non-binding advisory vote that the remuneration policy of the company, as set out on page 7 of the annual report, be and is hereby endorsed through a non-binding advisory vote as recommended in terms of the King Code of Governance for South Africa 2009.

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

Voting requirement:
The non-binding advisory vote will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary Resolution Number 12

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

Reason and effect:
The reason for Ordinary Resolution Number 12 is to authorise any director or the Company Secretary of the company to attend to the necessary requirements to implement the special and ordinary resolutions passed at the AGM and to sign all documentation required to record that the company will be authorised to attend to any matter regarding the implementation of the special and ordinary resolutions on behalf of the company.

Special resolution number 1

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

CH Wiese	EUR50 000
HRW Troskie	EUR14 625
MJ Roberts	EUR6 372

Reason and effect:

In terms of section 66(8) and (9) of the Act, non-executive directors' fees for their services to the company, must be approved by way of a special resolution passed by shareholders of the company within the previous two years. Accordingly, the reason for and effect of Special Resolution Number 1 is to approve the payment of and the basis for calculating the remuneration payable by the Company to its non-executive directors for the period ending 28 February 2017.

Voting requirement:

Special resolution number 1 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

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 and the MOI of the company, to, on the instructions of its Board, provide direct or indirect financial assistance to a director or prescribed officer of the company or of a related or inter-related company, or to a related or inter-related company or corporation, or to a member of a related or inter-related company or corporation, or to a person related to any such company, corporation, director, prescribed officer or member.

The Board considers that such a general authority should be put in place in order to assist the company inter alia to make loans to persons, including subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances. The existence of a general authority would void the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2018 AGM of the company.

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

Additional information:

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

Reason and effect:

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

Voting requirement:

Special resolution number 2 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Special resolution number 3

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

The Board considers that such a general authority should be put in place in order to assist the company inter alia to make loans to persons, including subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances, for the purpose of the subscription or purchase of shares in the capital of the company. The existence of a general authority would avoid the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2018 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)(ii) of the Act; and that terms under which the financial assistance is proposed to be given are fair and reasonable to the company.

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

Notice to shareholders (continued)

Tradehold Limited and its subsidiaries

Voting requirement:
Special resolution number 3 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Special resolution number 4

Resolved, as a special resolution, that the mandate given to the company (or one of its 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;
- a paid press 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 in compliance with the Listings Requirements;
- repurchases by the company in aggregate in any one financial year may not exceed 20% of the company's issued share capital as at the date of passing of this special resolution or 10% of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company;
- repurchases may not be made at a price greater than 10% above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction is effected;
- 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, the dates and quantities of shares to be traded during the relevant period are fixed and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period. The company must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE; and
- at any point in time, the company may only appoint one agent to effect any repurchase.

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

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

- the company and the group will be able, in the ordinary course of business, to pay its debts as they become due;
- the assets of the company and the group will be in excess of the liabilities of the company and the group, the assets and liabilities being recognised and measured in accordance with the accounting policies used in the latest audited annual financial statements;
- the working capital of the company and the group will be adequate for ordinary business purposes;
- the share capital and reserves are adequate for the ordinary business purposes of the company and the group; and
- a resolution by the board of directors that it has authorised the repurchase, that the company and its subsidiary/ies have passed the solvency and liquidity test and that, since the test was performed, there have been no material changes to the financial position of the company.

Reason and effect:
The effect of 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.

Additional information:
In terms of the Listings Requirements, the following disclosures are required with reference to the general authority to repurchase the company's shares set out in 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 114,
- Directors' interests in the company's securities – refer page 114;
- Share capital – refer page 62.

Voting requirement:
Special resolution number 4 will require the support of more than 75% (seventy five percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Social and ethics committee

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

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 ordinary and special resolutions and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above ordinary and special resolutions contains all information required.

Material change

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

Voting Requirements

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 5, as well as 7 to 12. For ordinary resolution number 6 a 75% voting majority is required by the JSE Listings Requirements. The special resolutions require a 75% voting majority in terms of the MOI, and the JSE Listings Requirements.

Proxies

All registered shareholders of the company will be entitled to attend and vote in person or by proxy at the AGM. A form of proxy is attached for completion by certificated shareholders and dematerialised shareholders with own name registration who are unable to attend in person. Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) so as to arrive by no later than 48 hours before the commencement of the AGM. Clause 23.7 of the company's MOI grants the Board or the chairman of the General Meeting the right to allow the form of proxy to be effective for purposes of voting at the AGM if the form of proxy is validly executed and received after this time but before the commencement of the General 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 shareholder 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

METTLE CORPORATE FINANCE (PTY) LTD
Secretary

23 May 2017
Parow Industria
7493

Stock exchange transactions

	2017	2016	2015	2014	2013
Number of shares traded ('000)	**8 580**	12 914	12 158	4 730	5 997
Value of shares traded (R'000)	**203 619**	287 754	199 705	50 891	45 243
Volume of shares traded as % of total issued shares	**3.47**	6.9	7.8	3.4	4.3
Market capitalisation (R'000)	**5 139 533**	5 477 781	2 888 458	1 898 367	1 233 246
Share prices for the year (cents)					
Lowest	**1 875**	1 650	1 245	750	600
Average	**2 541**	2 250	1 728	1 046	754
Highest	**3 870**	3 401	2 175	1 420	920
Closing	**2 080**	2 910	1 850	1 370	890

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 2017, 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.

METTLE CORPORATE FINANCE (PTY) LTD
Company Secretary

23 May 2017

Annual financial statements

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

The annual financial statements were authorised on 23 May 2017 by the Board of directors.

Approval of annual financial statements

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

CH WIESE
Chairman

KL NORDIER
Director

23 May 2017

Directorate and administration

Directorate

CH Wiese (75)†
B A, LL B, D Com (HC)
Chairman

KR Collins (45)†
Appointed on 22 December 2016

MJ Roberts (70)*+
B A

HRW Troskie (47)*+
B Juris, LL B, LL M

JD Wiese (36)†
B A, LL B, M Com *alternate to CH Wiese*

JM Wragge (69)*

TA Vaughan (51)#
B Sc Hons, MRICS

FH Esterhuyse (47)#
B Acc Hons, M Com, CA(SA)

KL Nordier (50)#
B Acc, BCompt Hons, CA (SA)
Financial director

DA Harrop (47)#
B A Hons, ACA

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

Administration

Company secretary
Mettle Corporate Finance (Pty) Ltd
PO Box 3991
Tygervalley 7536

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

Directors' report

Tradehold Limited and its subsidiaries

Share capital

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

Business of the group

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

Subsidiaries:

- **Moorgarth Holdings (Luxembourg) S.à r.l.**
  Moorgarth owns a portfolio of commercial properties situated in the United Kingdom and a serviced office business.

- **Reward Investments Ltd**
  Reward is an asset-backed, short-term lending business situated in the United Kingdom.

- **Tradegro S.à r.l.**
  Tradegro renders certain head office and treasury services in the group.

- **Tradehold Africa Limited**
  Tradehold Africa owns a development property in Mozambique and holds a portfolio of commercial properties in Mozambique, Botswana and Zambia.

- **Mettle Investments Proprietary Limited**
  Mettle Investments is a South African financial services group.

- **Nguni Property Fund Limited**
  Nguni owns a portfolio of commercial properties and property developments in Namibia.

- **Imbali Props 21 Proprietary Limited and Saddle Path Props 69 Proprietary Limited**
  Hold a portfolio of commercial properties through the acquisition of the Collins Group's South African property portfolio during the year.

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

Investment properties

Changes in properties during the year and details of property valuations at 28 February 2017 are shown in note 2 to the annual financial statements.

Borrowings

Interest-bearing borrowings are shown in note 17 and 22 to the annual financial statements, and includes bank borrowings of £484.4 million (2016: £89.7m).

Group results

Earnings

After taking into account the interest of non-controlling shareholders, the group reports a basic earnings per share of 22.2 pence (2016: 7.6 pence).

The annual financial statements on pages 22 to 114 set out fully the financial position, results of operations and cash flows of the group for the financial year ended 28 February 2017.

Dividends

A dividend of 6.5 cents per share, declared on 23 May 2016, was paid on 23 June 2016. (2016: 6 cents per share).

Events after the reporting period

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

Going concern

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

Directorate

The names of the directors are listed elsewhere in the integrated report. On 22 December 2016 Mr K R Collins was appointed as a non-executive director.

In terms of the Memorandum of Incorporation of the company Messrs J D Wiese (alternate to DR C H Wiese), M R Roberts and K R Collins retire as directors of the company at the annual general meeting but, being eligible, offer themselves for re-election.

At 28 February 2017 the directors of Tradehold Limited held a direct interest of 0.47% (2016: 0.4 %) and an indirect, non-beneficial interest of 60.56% (2016: 63.9%) of the issued ordinary share capital of the company. Indirect holdings through listed companies have not been included.

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

Holding company

At 28 February 2017 the company had no holding company. An analysis of the main shareholders of the company appears on page 114 of this report.

Secretary

The name and address of the secretary appear on page 16 of this report.

Auditors

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

Independent auditor's report

To the shareholders of Tradehold Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Tradehold Limited (the Company) and its subsidiaries (together the Group) as at 28 February 2017, 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.

What we have audited

Tradehold Limited's consolidated and separate financial statements set out on pages 22 to 114 comprise:

– the group and company statements of financial position as at 28 February 2017;
– the group and company statements of comprehensive income for the year then ended;
– the group and company statements of cash flows for the year then ended;
– the group and company statements of changes in equity for the year then ended; and
– the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B).

Our audit approach

Overview

Overall group materiality

– £10,000,000, which represents 1% of total assets.

Group audit scope

– The group consists of property owning components and financial services components. We performed full scope audits on four of the property owning components (United Kingdom (UK), South Africa, Namibia and other African countries) and one of the financial services components (UK).
– In addition we performed analytical procedures over the remaining components at a group level.

Key Audit Matters

– Valuation of investment properties
– Accounting for acquisitions

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

Materiality

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

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

Overall group materiality	£10,000,000
How we determined it	1% of total assets
Rationale for the materiality benchmark applied	We chose total assets as the benchmark considering that, in our view, this is the key benchmark against which the performance of the Group is most commonly measured by the users of the financial statements. The rapid expansion the Group has experienced recently further supports the use of total assets as our benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for companies in this sector.

How we tailored our group audit scope

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

The Group mainly has a property portfolio and short-term lending operations. The property portfolio includes retail, serviced offices, industrial, residential and leisure properties in the United Kingdom (UK), South Africa, Namibia and other African countries. The Group's financial services interests are vested in companies in the UK and South Africa. The consolidated financial statements are a consolidation of the property owning and financial services components in the group.

Based on the financial significance of the property owning components, we performed full scope audits at four of the Group's property owning components: UK, South Africa, Namibia and the other African countries component. We further performed a full scope audit over the UK financial services component and over the head office entities. In addition we performed analytical procedures at a group level on the remaining inconsequential components.

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, or component auditors from other PwC network firms, operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of group involvement necessary in the audit work of the components to be able to conclude whether sufficient appropriate audit evidence has been obtained as a basis for our opinion on the Group financial statements as a whole. By performing these considerations together with the procedures performed on the consolidation, intercompany eliminations and the analytical procedures performed at a group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the Group to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

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

Consolidated financial statements

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties The valuation of the Group's investment properties is a key contributor to the asset value and the Group's result for the year. The Group carries investment property at fair value in accordance with IAS 40 Investment Property. As at 28 February 2017 the Group's investment property portfolio was held at £806.7 million after recognising a gain in the statement of comprehensive income of £27.0 million . The portfolio is split between the UK, South Africa, Namibia and Africa excluding Namibia and South Africa. Management utilised valuation experts (the "Valuers") to assist them with the valuation of the UK and South Africa investment properties in accordance with the IFRS 13 – Fair Value Measurement and the JSE listing requirements. The investment properties for the remainder of the portfolio are stated at their fair values based on directors' valuations and external valuations as deemed appropriate. In determining a property's valuation the Valuers take into account property specific information such as the current tenancy agreements and rental income as well as associated expenses. They apply assumptions for yields and estimated market rents, which are influenced by prevailing market yields and comparable market transactions, to arrive at the final valuation. The valuation was considered to be a matter of most significance to the current year audit due to the existence of significant estimation uncertainty in relation to key assumptions (the yields and market rentals), coupled with the fact that only a small percentage difference in individual property valuations, when aggregated, could result in a material misstatement. Refer to note 2 of the financials for details on the valuation of investment properties and straight-lining lease accrual.	We read the valuation reports or inspected the valuation models for all the properties valued externally or valued by the directors in the current year and confirmed that the valuation approach for each was in accordance with IFRS and suitable for use in determining the carrying value for the purpose of the financial statements. We assessed the Valuers' qualifications and expertise by agreeing that they are members of a registered body and have expertise and experience in property valuations. We also read their terms of engagement with the Group to determine whether there were any matters that might have affected their objectivity or may have imposed scope limitations upon their work. We considered fee arrangements between the Valuers and other engagements which might exist between the Group and the Valuers. Based on the information we obtained, there was no evidence to suggest that the objectivity of the Valuers in their performance of the valuations was compromised. We tested a sample of the data inputs used in the directors' valuation as well as the valuation prepared by the Valuers underpinning the investment property valuation including rental income and capital expenditure, by agreeing them to the property records held by the Group. The property records were assessed for reliability by inspecting signed and approved lease contracts and other supporting documentation. We involved our audit valuation experts to develop independent expectations and compared these to the valuations for a selection of properties. In doing this we used comparable market transactions and focused in particular on properties where the growth in capital values was higher or lower than our expectations based upon market indices. We found that the assumptions and valuations used by management fell within a reasonable range to our independent expectations.

Independent auditor's report (continued)

To the shareholders of Tradehold Limited

Key audit matter	How our audit addressed the key audit matter
Accounting for acquisitions There have been a number of property investment transactions during the year, with net assets of £95.9 million acquired. These warranted additional audit focus due to the magnitude of transactions, and the potential for complex contractual terms that introduce judgements into how they are accounted for, specifically the following: – Whether the acquired entity constituted a business combination and not solely an asset purchase; – Whether any intangibles assets were acquired; – Determination of the transaction date on which all the suspensive conditions were met; – Assessing whether the purchase price is at fair value and that any contingent elements are appropriately treated; – Determination of the fair value of the assets and liabilities acquired; and – To consider the resulting recognition of goodwill or gain on business combination. Key transactions which were considered matters of most significance in our audit were as follows: – Purchase of the Collins group South Africa property portfolio containing properties held in South Africa in exchange for equity and cash. This was accounted for as a business combination in accordance with IFRS 3 – Business Combinations. – Finalisation of the purchase price allocation for the acquisition of Ventia Limited resulting in restated 2016 figures. This business combination contained rental lease agreements across a number of properties in exchange for cash consideration. Refer to note 29.5 of the financials for details on the business combinations.	For each acquisition, we gained an understanding of the nature of the transaction and the key transaction terms of the sale and purchase agreements. We tested management's accounting treatment of each acquisition in relation to the Group's accounting policies and relevant IFRS's as follows: – We confirmed that both acquisitions met the definition of a business as defined by IFRS 3 - Business Combinations after identifying sufficient inputs and processes to produce outputs within them; – We considered the potential for intangible assets in the acquisitions considering management's own assessment, by inspecting the legal contracts and based on our understanding of the business, with none noted; – We confirmed the suspensive conditions determined by management by inspecting the contracts and confirmed the date when the conditions had been met in the acquisitions, by agreeing the timing of meeting the conditions to supporting documentation; – We examined the legal contracts to identify the form of consideration and agreed that this was recorded at fair value in line with the requirements of IFRS 3. We also read the legal contracts and confirmed that there were no deferred or contingent elements to the consideration; and – We agreed management's assessment of the fair value of the assets and liabilities acquired to relevant supporting property valuations, loan agreements and other relevant support and recalculated the amount of goodwill recognised by management.
Separate financial statements We have determined that there are no key audit matters in respect of the separate financial statements.	

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, the Audit Committee's Report, the Company Secretary's Certificate as required by the Companies Act of South Africa, the Social and Ethics Committee Report, Sustainability Report, Corporate Governance Report, Risk Management Report and Remuneration Report, which we obtained prior to the date of this auditor's report, and the Integrated Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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

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

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

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

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

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

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

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Tradehold Limited for 19 years.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC.
Director: Anton Wentzel
Registered Auditor

Cape Town
23 May 2017

Statement of financial position

Tradehold Limited and its subsidiaries at 28 February 2017

COMPANY 2016 R'000	COMPANY 2017 R'000		Notes	GROUP 2017 £'000	GROUP 2016 £'000
		ASSETS			
2 574 055	**3 922 308**	**Non-current assets**		**868 571**	235 844
		Property, plant and equipment	1	**9 396**	7 860
		Investment properties – fair value for accounting purposes	2	**805 139**	196 879
		Investment properties – straight-line lease income adjustment	2	**1 521**	—
		Intangible assets other than goodwill	3	**754**	1 518
		Goodwill	4	**11 802**	10 240
105 142	**105 142**	Interest in subsidiaries	5	**—**	—
2 468 913	**3 817 166**	Loans to subsidiaries	5	**—**	—
		Investment in joint venture	6	**20 631**	13 793
		Investments in associates	7	**6 132**	3 490
—	**—**	Loans receivable	8	**1 683**	1 252
		Deferred taxation	9	**10 961**	510
		Trade and other receivables	12	**552**	302
767 850	**631 812**	**Current assets**		**129 706**	83 213
		Financial assets	10	**5 924**	6 344
		Assets held for sale	11	**14 389**	—
		Loans receivable	8	**129**	3 216
		Derivative financial instruments	18	**2 656**	—
629 007	**631 411**	Loans to subsidiaries	5		
		Loans to associates	7	**8 707**	3 648
		Trade and other receivables	12	**66 953**	48 051
		Taxation	27	**17**	1
138 843	**401**	Cash and cash equivalents	13	**30 931**	21 953
3 341 905	**4 554 120**	**Total assets**		**998 277**	319 058
		EQUITY AND LIABILITIES			
2 372 374	**3 636 266**	Ordinary shareholders' equity		**295 054**	160 167
1 882	**3 759 384**	Share capital	14	**261 633**	236
2 450 638		Share premium		**—**	186 062
(80 147)	**(123 118)**	Reserves	15	**33 421**	(26 131)
		Non-controlling interest		**13 696**	47
2 372 374	**3 636 266**	**Total equity**		**308 750**	160 214
667 549	**780**	**Non-current liabilities**		**527 956**	113 223
629 910	**780**	Preference share liability	16	**48**	28 288
		Long-term borrowings	17	**474 167**	69 937
		Derivative financial instruments	18	**532**	8 565
		Deferred revenue	19	**7 581**	5 801
37 639		Contingent consideration	20	**—**	106
		Deferred taxation	9	**45 628**	526
301 982	**917 074**	**Current liabilities**		**161 571**	45 621
	630 801	Preference share liability	16	**38 951**	—
3 525	**8 313**	Trade and other payables	21	**24 599**	12 028
298 457	**277 960**	Short-term borrowings	22	**96 055**	29 519
		Loans from joint venture	6		47
		Loans from associates	7	**—**	1 050
		Contingent consideration	20	**105**	1 691
		Taxation	27	**1 303**	1 286
		Bank overdrafts	13	**558**	—
969 531	**917 854**	**Total liabilities**		**689 527**	158 844
3 341 905	**4 554 120**	**Total equity and liabilities**		**998 277**	319 058

Statement of comprehensive income

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY 2016 R'000	COMPANY 2017 R'000		Notes	GROUP 2017 £'000	GROUP 2016 £'000
		Revenue	23	**51 554**	28 651
—	—	Other operating income	24	**1 694**	822
		Profit on disposal of investment properties	25	**1 573**	239
		Net gain from fair value adjustment on investment property	2	**26 956**	4 613
		Gain/(loss) on disposal and scrapping of PPE (excluding buildings)	25	**(52)**	19
(1 091)	**(2 695)**	Employee benefit expenses	25	**(7 255)**	(4 708)
(138)	**(140)**	Lease expenses	25	**(4 806)**	(593)
		Depreciation, impairment and amortisation	3	**(2 034)**	(608)
(19 334)	**(11 120)**	Other operating costs	25	**(17 878)**	(12 355)
(20 563)	**(13 955)**	**Trading profit/(loss)**		**49 752**	16 080
		Gain on business combination	29.5.1	**16 481**	—
		Gain on disposal of investments		**287**	24
		Impairment of goodwill	4	**—**	—
		Gain on disposal of financial assets			1 920
		Fair value loss on financial assets at fair value through profit or loss	10	**(419)**	(237)
(20 563)	**(13 955)**	**Operating profit/(loss)**	25	**66 101**	17 787
53 197	**49 467**	Finance income	26	**3 924**	3 600
(61 089)	**(78 484)**	Finance cost	26	**(16 089)**	(6 684)
		Earnings from joint venture	6	**—**	197
		Earnings from associated companies	7	**165**	381
(28 455)	**(42 972)**	**Profit before taxation**		**54 101**	15 281
		Taxation	27	**(4 444)**	(638)
(28 455)	**(42 972)**	**Profit for the year before non-controlling interest**		**49 657**	14 643
		Other comprehensive income			
		Items that may be subsequently reclassified to profit or loss			
		Net fair value loss on hedging instruments entered into for cash flow hedges		**181**	(163)
		Currency translation differences		**14 929**	(3 987)
(28 455)	**(42 972)**	**Total comprehensive income for the year**		**64 767**	10 493
		Profit attributable to:			
		Owners of the parent		**44 303**	14 280
		Non-controlling interest		**5 354**	363
				49 657	14 643
		Total comprehensive income attributable to:			
		Owners of the parent		**59 580**	10 170
		Non-controlling interest		**5 187**	323
		Total comprehensive income for the year		**64 767**	10 493
		Earnings per share (pence): basic	28		
		– basic		**22.2**	7.6
		Number of shares for calculation of earnings per share ('000)		**199 921**	186 818
		Earnings per share (pence): diluted			
		– diluted		**22.1**	7.6
		Number of shares for calculation of diluted earnings per share ('000)		**200 185**	188 124

Statement of cash flows

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY 2016 R'000	COMPANY 2017 R'000		Notes	GROUP 2017 £'000	GROUP 2016 £'000
		Cash flows from operating activities			
(20 562)	**(13 955)**	Operating profit / (loss)		**66 101**	17 787
665	**—**	Non-cash items	29.1	**(42 350)**	(5 530)
755	**4 788**	Changes in working capital	29.2	**5 430**	(4 138)
(19 143)	**(9 167)**	Cash (used in)/from operations		**29 181**	8 119
38 207	**49 467**	Interest received		**2 568**	3 600
(48 720)	**(76 658)**	Interest paid		**(17 916)**	(6 233)
(9 560)	**(12 313)**	Dividends paid		**(572)**	(495)
		Taxation paid	29.3	**(1 853)**	(291)
(39 215)	**(48 671)**	**Net cash flows from operating activities**		**11 408**	4 700
		Cash flows from/ utilised in investing activities			
		Acquisition of investment properties	2.1	**(54 468)**	(35 610)
		Acquisition of property, plant and equipment	1	**(2 944)**	(1 161)
		Business combinations	29.5	**758**	(9 899)
		Proceeds on disposal of investment properties		**5 898**	5 637
		Proceeds on disposal of property, plant and equipment		**4 913**	19
		Net proceeds on disposal of investment		**1**	9 191
		Dividends received from associates		**186**	576
		Loans advanced to joint venture		**(6 884)**	(13 542)
(160 629)	**(59 005)**	Loans advanced to group companies		**—**	—
8 406	**—**	Loans repaid by subsidiary undertaking		**—**	—
		Loans repaid by/(advanced to) associate undertaking		**(8 267)**	(4 571)
		Borrowings repaid		**—**	—
		Loans and advances – issued	12.4.1	**(86 955)**	(69 787)
		Loans and advances – repaid	12.4.1	**78 390**	58 618
(152 223)	**(59 005)**	**Net cash flows from/ utilised in investing activities**		**(69 372)**	(60 529)
		Cash flows from financing activities			
372 528		Proceeds from borrowings		**109 777**	65 904
(86 994)	**(20 497)**	Repayment of borrowings		**(42 825)**	(21 747)
	(10 475)	Transaction costs from ordinary share issue	29.4	**—**	—
	206	Proceeds from preference share issue		**22**	—
		Dividends to non-controlling interests		**(548)**	(564)
285 534	**(30 766)**	**Net cash from financing activities**		**66 426**	43 593
94 095	**(138 442)**	**Net increase in cash and cash equivalents**		**8 462**	(12 236)
		Effect of changes in exchange rate		**(42)**	47
44 748	**138 843**	Cash and cash equivalents at beginning of the year		**21 953**	34 142
138 843	**401**	Cash and cash equivalents at end of the year		**30 373**	21 953
		Cash and cash equivalents consists of:			
138 843	**401**	Cash and cash equivalents	13	**30 931**	21 953
		Bank overdrafts		**(558)**	
138 843	**401**			**30 373**	21 953

Statement of changes in equity

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

GROUP £'000	Share capital and premium	Foreign currency translation reserve	Other non-distributable reserves	Cash flow hedging reserve	Accumulated loss/ Retained earnings	Attributable to equity holders of the parent	Non-controlling interest	Total
Balance at 28 February 2015	156 365	5 294	(70)	(412)	(38 933)	122 244	84	122 328
Profit for the year					14 280	14 280	363	14 643
Issue of ordinary shares by the company	30 428				(2 270)	28 157		28 157
Dividends distributed to shareholders	(495)					(495)		(495)
Transactions with owner of entity							204	204
Restructure of subsidiary group			90			90		90
Release of foreign currency translation reserve		428			(428)			
Distribution to minorities							(564)	(564)
Other comprehensive income for the year		(3 987)		(123)		(4 109)	(40)	(4 150)
Balance at 29 February 2016	186 298	1 735	20	(535)	(27 351)	160 167	47	160 214
Profit for the year					**44 303**	**44 303**	**5 354**	**49 657**
Issue of ordinary shares by the company	**76 478**					**76 478**		**76 478**
Dividends distributed to shareholders	**(572)**					**(572)**		**(572)**
Transaction costs on issue of shares	**(552)**					**(552)**		**(552)**
Disposal of subsidiary/liquidation of employees share trust	**(19)**	**133**	**(22)**		**(152)**	**(60)**		**(60)**
Acquisition of subsidiaries					**(25)**	**(25)**	**9 011**	**8 986**
Capital reserve (ESOP)			**38**			**38**		**38**
Distribution to minorities							**(548)**	**(548)**
Other comprehensive income for the year		**15 142**		**135**		**15 277**	**(168)**	**15 109**
Balance at 28 February 2017	**261 633**	**17 010**	**36**	**(400)**	**16 775**	**295 054**	**13 696**	**308 750**
COMPANY R'000								
Balance at 28 February 2015	1 902 250	(9 534)	236		1 445	1 894 397		1 894 397
Profit for the year					(28 455)	(28 455)		(28 455)
Issue of ordinary shares by the company	559 830				(43 838)	515 992		515 992
Dividends distributed to shareholders	(9 560)					(9 560)		(9 560)
Release of foreign currency translation reserve		9 534			(9 534)			
Balance at 29 February 2016	2 452 520	—	236		(80 382)	2 372 374		2 372 374
Profit for the year					**(42 972)**	**(42 972)**		**(42 972)**
Issue of ordinary shares by the company	**1 498 982**					**1 498 982**		**1 498 982**
Buy-back of ordinary shares by the company	**(169 330)**					**(169 330)**		**(169 330)**
Dividends distributed to shareholders	**(12 313)**					**(12 313)**		**(12 313)**
Transaction costs on issue of shares	**(10 475)**					**(10 475)**		**(10 475)**
Disposal of subsidiary/liquidation of employees share trust			**(236)**		**236**			
Balance at 28 February 2017	**3 759 384**	**—**			**(123 118)**	**3 636 266**		**3 636 266**

Accounting policies

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

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

1. Basis of preparation

Statement of compliance

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

Preparation of the consolidated annual financial statements

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

The preparation of consolidated annual financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated annual financial statements are disclosed in accounting policies note 31.

Use of adjusted measures

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

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

2. Changes in accounting policy and disclosures

The group has adopted the following new and amended IFRSs and interpretations as of 1 March 2016:

(a) Standards, amendments and interpretations effective in 2017 and relevant to the group's operations

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

Annual Improvements 2014

- Amendment to IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' This is an amendment to the changes in methods of disposal – Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5. The amendment also clarifies that changing the disposal method does not change the date of classification.
- Amendment to IFRS 7 – 'Financial Instruments: Disclosures' Applicability of the offsetting disclosures to condensed interim financial statements. The amendment removes the phrase 'and interim periods within those annual periods' from paragraph 44R, clarifying that these IFRS 7 disclosures are not required in the condensed interim financial report. However, the Board noted that IAS 34 requires an entity to disclose '[. . .] an explanation of events and transactions that

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

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

(b) Standards, amendments and interpretations to existing standards effective in 2017 but not relevant to the group's operations
- IFRS 14 – Regulatory deferral accounts. The IASB has issued IFRS 14, 'Regulatory deferral accounts' specific to first time adopters ('IFRS 14'), an interim standard on the accounting for certain balances that arise from rate-regulated activities ('regulatory deferral accounts'). Rate regulation is a framework where the price that an entity charges to its customers for goods and services is subject to oversight and/or approval by an authorised body.
- Amendments to IAS 16, 'Property, plant and equipment' and IAS 41, 'Agriculture' on bearer plants. In this amendment to IAS 16 the IASB has scoped in bearer plants, but not the produce on bearer plants and explained that a bearer plant not yet in the location and condition necessary to bear produce is treated as a self-constructed asset. In this amendment to IAS 41, the IASB has adjusted the definition of a bearer plant include examples of non-bearer plants and remove current examples of bearer plants from IAS 41.

Annual Improvements 2014
- Amendment to IAS 19 – 'Employee Benefits' Discount rate: regional market issue – The amendment to IAS 19 clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

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

The following standards and amendments to existing standards have been published and are mandatory for the group's accounting periods beginning on or after 1 March 2017 or later periods, but the group has not early adopted them:
- Amendments to IAS 12 – Income taxes – recognition of deferred tax assets for unrealised losses (effective date 1 January 2017)
- Amendments to IAS 7 – Cash flow statements – statement of cash flows on disclosure initiative (effective date 1 January 2017)
- Amendments to IFRS 2 – 'Share-based payments' – clarifying how to account for certain types of share-based payment transactions (effective date 1 January 2018)
- IFRS 15 – Revenue from contracts with customers (effective date 1 January 2018)
- Amendments to IFRS 15 – Revenue from contracts with customers (effective date 1 January 2018)
- IFRS 9 – Financial Instruments (2009 &2010) – financial liabilities, derecognition of financial instruments, financial assets and general hedge accounting (effective date 1 January 2018)
- Amendments to IFRS 9 – Financial Instruments – on general hedge accounting (effective date 1 January 2018)
- IFRS 16 – Leases (effective date 1 January 2019)
- IFRS 4 – 'Insurance contracts' – regarding the implementation of IFRS 9 'Financial Instruments' (effective date 1 January 2018)
- IAS 40 – 'Investment property' – transfers of investment property (effective date 1 January 2018)
- IFRC 22 – Foreign currency transactions and advance consideration (effective date 1 January 2018)
- Annual improvements 2014-2016 – IFRS 1 'First-time adoption of IFRS', IFRS 12 'Disclosure of interests in other entities' and IAS 28 'Investments in associates and joint ventures' (effective date 1 January 2017 and 2018)
- Amendments to IFRS 10 'Consolidated financial statements' and IAS 28 'Investments in associates and joint ventures' on sale or contribution of assets (effective date initially 1 January 2016 postponed)

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

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

3. Consolidation

a) Subsidiaries

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

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

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

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

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

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

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

b) Transaction with non-controlling interests

The group treats transactions with non-controlling interests that do not result in loss of control as equity transactions – that is as transactions with the owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries

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

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

d) Associates

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

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

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

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

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

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

e) Joint arrangements

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

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

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

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

4. Segment reporting

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

5. Foreign currency translation

a) Functional and presentation currency

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

b) Transactions and balances

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

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

c) Group companies

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

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

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

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

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

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

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

6. Investment property

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

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the group uses alternative valuation methods, such as external valuers, or internal valuations based on rental income from current leases and assumptions about rental income from future leases in light of current market conditions (recent prices on less active markets or discounted cash flow projections). Professional valuations are performed on a rolling basis every 3 years by registered valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the consolidated annual financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value. Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable.

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

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

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

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

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

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

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

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

7. Property, plant and equipment

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

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

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

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

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

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

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

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

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

8. Leases

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

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

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

Properties leased out under operating leases are included in investment property in the statement of financial position (note 2). See accounting policy note 27(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. Intangible assets other than goodwill

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

10. 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 disclosed separately on the face of the statement of financial position. Goodwill is tested annually for impairment in the respective subsidiary's functional currency and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

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

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

11. 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.

12. Financial instruments

a) Classification

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

Financial assets at fair value through profit or loss

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

Loans and receivables

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

Financial liabilities at fair value through profit or loss

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

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

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

Financial liabilities measured at amortised cost

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

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

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

b) Recognition and measurement

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

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

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

c) Offsetting financial instruments

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

d) Impairment of financial assets

Assets carried at amortised cost

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

The group first assesses whether objective evidence of impairment exists.

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

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

13. Loans receivable

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

14. Trade and other receivables

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

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

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

15. Cash and cash equivalents

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

16. Share capital

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

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

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

17. Trade and other payables

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

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

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

18. Derivative financial instruments and hedging activities

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

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

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

The fair values of various derivative instruments used for hedging purposes are disclosed in note 18.

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

Fair value hedge

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

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

Cash flow hedge

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

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

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

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

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

19. Deferred revenue

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

20. Deferred consideration

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

21. Borrowings

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

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

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

22. Government grants

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

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

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

23. Current and deferred income tax

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

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

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

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

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

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

Withholding tax on dividends

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

24. 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.

25. 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.

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

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.

26. 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.

27. Revenue recognition

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

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

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

a) Rental income

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

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

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

b) Revenue from hotel operations

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

c) Initiation fees

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

d) Interest income

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

e) Dividend income

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

f) Fee and commission revenue

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

28. 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.

29. 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.

30. Earnings per share

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

31. Critical accounting estimates, assumptions and judgements

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

a) Principal assumptions underlying management's estimation of fair value of investment properties

The best evidence of fair value is current prices in an active market for similar leases and other contracts. In the absence of such information, the group determines the amount within a range of reasonable fair value estimates. In making its judgement the group considers information from a variety of sources including:

- Current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences;
- Recent prices of similar properties in less active markets, with adjustments to reflect any changes in economic conditions since the date of the transactions that occurred at those prices; 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.

Refer to note 34.9 where a sensitivity analysis has been performed.

b) Income taxes

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

c) Estimated impairment of goodwill

The group tested annually whether goodwill suffered any impairment, in accordance with accounting policy 10. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

Details of the impairment loss calculation are set out in note 4.

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

d) Fair value of derivatives and other financial instruments

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

Details of the fair value calculation of derivatives are set out in note 18.

e) Estimation of contingent consideration

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

Refer to note 20 for estimates used to determine the value of the deferred consideration.

f) Other areas of significant judgement

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

- Impairment of property, plant and equipment (refer to note 1)
- Impairment of loans receivable (refer to note 12)

Notes to the annual financial statements

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

		Owned land and buildings	Machinery, equipment and vehicles	Improvements to leasehold property	Total
1.	**Property, plant and equipment**				
1.1	£'000				
1.1.1	**Cost**				
	At 29 February 2016	5 360	4 770	20	10 150
	Additions		**2 926**	**18**	**2 944**
	Acquired through business combinations		**4 552**		**4 552**
	Foreign currency translation differences		**2 568**	**(2)**	**2 566**
	Disposals and scrappings	**(5 360)**	**(899)**		**(6 259)**
	At 28 February 2017	—	13 917	36	13 953
1.1.2	**Accumulated depreciation**				
	At 29 February 2016	660	1 612	18	2 290
	Charge for the year	**98**	**1 170**	**2**	**1 270**
	Foreign currency translation differences		**2 290**	**1**	**2 291**
	Disposals and scrappings	**(758)**	**(536)**		**(1 294)**
	At 28 February 2017	—	4 536	21	4 557
1.1.3	Book value at 28 February 2017	—	9 381	15	9 396
1.2	£'000				
1.2.1	**Cost**				
	At 28 February 2015	5 360	1 516	18	6 894
	Additions		1 161		1 161
	Acquired through business combinations		2 091	2	2 093
	Foreign currency translation differences		20		20
	Disposals and scrappings		(18)		(18)
	At 29 February 2016	5 360	4 770	20	10 150
1.2.2	**Accumulated depreciation**				
	At 28 February 2015	560	1 130	18	1 708
	Charge for the year	100	508		608
	Foreign currency translation differences		(8)	—	(8)
	Disposals and scrappings		(18)		(18)
	At 29 February 2016	660	1 612	18	2 290
1.2.3	Book value at 29 February 2016	4 700	3 158	2	7 860

1.3 The group leases certain property, plant and equipment under operating leases, refer to note 31.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

		GROUP	
		2017	2016
		£'000	£'000
2.	**Investment properties**		
2.1	**At beginning of year**	**196 879**	120 552
	Additions	**54 468**	35 610
	Acquired through business combinations	**496 981**	45 789
	Capitalisation of borrowing costs – refer note 2.8	**1 165**	504
	Foreign currency translation differences	**48 536**	(4 791)
	Disposals	**(4 325)**	(5 398)
	Transfer to assets held for sale	**(14 000)**	
	Net gain from fair value adjustments on investment property	**26 956**	4 613
	At end of year	**806 660**	196 879
	Comprising		
	Investment properties at fair value for accounting purposes	**805 139**	196 879
	Straight-line lease adjustment disclosed separately	**1 521**	
		806 660	196 879

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

The key unobservable input relates to the rental yield and a sensitivity has been presented within note 34.9

2.2 UK investment properties

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

2.2.2 External valuers Strutt & Parker LLP who hold recognised and relevant professional qualifications. valued property located in England & Wales representing £68.2 million of the portfolio.

New acquisitions and developments purchased in 2017 represent £44 million of the portfolio (2016:£6.6 million of the portfolio).

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

The valuations were performed in accordance with a market value analysis based on rental yields of between 1% and 15% (2016: yields between 1% and 26.2%).

2.3 Namibia investment properties

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

2.3.2 External valuers DDP Valuers (Pty) Ltd. who hold recognised and relevant professional qualifications. valued property located in Namibia representing 98% of the portfolio as at 1 December 2015. The directors valued the property based on the external valuers value and an increase of 1.75% from 1 December 2015 to 29 February 2017.

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

The valuations were performed in accordance with a market value analysis based on rental yields of between 9.06% and 9.84% (2016: yields between 9% and 9.5%).

2.4 Africa excluding Namibia investment properties

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

2.4.2 External valuers. DDP valuers. who hold recognised and relevant professional qualifications valued property located in Zambia representing £6.4 million of the portfolio. properties in Botswana representing £3.2 million of the portfolio and a property in Mozambique representing £1.9 million of the portfolio.

New acquisitions and developments purchased in 2017 represent £26.5 million of the portfolio (2016: £25.7 million).

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

The valuations were performed in accordance with a market value analysis based on rental yields of between 8.5% and 11% (2016: yields between 9.5% and 10%).

2.5 South Africa investment properties

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

2.5.2 External valuers. Quadrant Properties (Pty) Ltd. who hold recognised and relevant professional qualifications valued property located throughout South Africa representing £405 million of the portfolio.

New acquisitions and developments purchased in 2017 represent £480 million of the portfolio.

The valuations were performed in accordance with a market value analysis based on rental yields of between 8.5% and 12%.

		GROUP	
		2017	2016
		£'000	£'000
2.6	Investment properties with a carrying amount that were vacant at year-end.	**3 242**	1 150
2.7	Income and expenditure relating to investment properties		
	Rental income	**50 500**	12 034
	Direct operating expenditure	**5 005**	5 023
	Direct operating expenses recognised in profit or loss include relating to investment property that was unlet.	**109**	86

2.8 The borrowing costs were capitalised at a rate of 8.8% (2016: 6%).

2.9 As significant judgement is exercised by management in determining the fair value using inputs that are based on unobservable market data. the investment is classified as a Level 3 asset – refer note 34.9

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

		GROUP	
		2017	2016
		£'000	£'000
3.	**Intangible assets other than goodwill**		
3.1	**Cost**	**1 518**	1 518
	Accumulated amortisation	**(764)**	—
		754	1 518
3.2	**Cost**		
	Balance at beginning of year	**1 518**	—
	Acquired through business combinations	**—**	1 518
	Foreign currency translation movements	**—**	—
	Balance at end of year	**1 518**	1 518
3.3	**Accumulated amortisation**		
	Balance at beginning of year	**—**	—
	Foreign currency translation movements	**—**	—
	Amortisation for the year	**(764)**	—
		(764)	—

Intangible assets comprise lease benefits acquired as part of the Ventia acquisition in December 2015. and represent the net present value of the favourable lease terms. The asset is amortised over the life of the beneficial leases.

The intangible assets were identified following on the finalisation of the Ventia purchase price allocation in the current financial year. resulting in the restatement of the 2016 balance – refer note 29.5.3

		GROUP	
4.	**Goodwill**		
4.1	**Cost**	**13 243**	11 288
	Accumulated impairment losses	**(1 441)**	(1 048)
		11 802	10 239
4.2	**Cost**		
	Balance at beginning of year	**11 288**	3 594
	Acquired through business combinations	**788**	8 429
	Foreign currency translation movements	**1 167**	(736)
	Balance at end of year	**13 243**	11 288
4.3	**Accumulated impairment losses**		
	Balance at beginning of year	**(1 048)**	(1 288)
	Foreign currency translation movements	**(393)**	240
	Impairment losses recognised in the year	**—**	—
		(1 441)	(1 048)

4.4 Allocation of goodwill to cash-generating units

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

2017	Opening	Additions	Impairment	Foreign currency translation movements	Closing
SA short-term lending	**1 885**	**—**	**—**	**707**	**2 592**
UK property	**7 975**	**25**	**—**	**—**	**8 000**
Other	**380**	**763**	**—**	**67**	**1 210**
Total	**10 240**	**788**	**—**	**774**	**11 802**

2016	Opening	Additions	Impairment	Foreign currency translation movements	Closing
SA short-term lending	2 287	26	—	(428)	1 885
UK property	—	7 975	—	—	7 975
Other	19	429	—	(68)	380
Total	2 306	8 430	—	(496)	10 240

4.4.1 The goodwill allocated to the UK property segment has been determined to be the serviced office business owned by subsidiaries acquired by the Group, mainly relating to the Ventia acquisition in the previous financial year.

The goodwill allocation for 2016 has been finalised for the Ventia purchase price allocation in the current financial year, disclosed in note 29.5.3.

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

	GROUP	
	2017	2016
	%	%
The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:		
WACC	**8.00%**	10.50%
Growth rate	**2.50%**	2.50%
Sustainable growth rate	**0.50%**	0.50%
The principal assumptions where impairment occurs are as follows:		
WACC	**18.10%**	11.80%
Growth rate	**(11.30%)**	(11.00%)
Sustainable growth rate	**(1.50%)**	(1.50%)

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

4. Goodwill (continued)

4.4 Allocation of goodwill to cash-generating units (continued)

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

No impairment charge arose as a result of the impairment test (2016: nil). The recoverable amount has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated sustainable growth rates stated below.

	GROUP	
	2017	2016
	%	%
The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:		
WACC	**15.26%**	15.28%
Growth rate	**8.50%**	8.50%
Sustainable growth rate	**2.10%**	2.10%
Operating profit margin (% of revenue)	**25.68%**	25.68%
The principal assumptions where impairment occurs are as follows:		
WACC	**15.58%**	15.60%
Growth rate	**7.50%**	7.60%
Sustainable growth rate	**1.30%**	1.40%

		COMPANY	
		2017	2016
		R'000	R'000

5. Interest in subsidiaries

5.1	**Shares in subsidiaries consisting of:**		
	Shares in Tradegro Holdings (Pty) Ltd at cost	**7 838**	7 838
	Shares in Mettle Investments (Pty) Ltd at cost	**97 304**	97 304
		105 142	105 142
5.2	**Loans to subsidiaries consisting of:**		
	Amount owing by Tradegro Holdings (Pty) Ltd	**3 450 119**	2 027 579
	As part of a subordination agreement the company has deferred its right to claim payment of the amount owed by Tradegro Holdings (Pty) Ltd until the fair value of the assets exceeds its liabilities. The loan is unsecured and interest free with no fixed date of repayment, and has been classified as non-current as considered similar to equity.		
	Amount owing by Mettle Investments (Pty) Ltd	**68 563**	149 106
	R25 million of the loan to Mettle Investments (Pty) Ltd is unsecured and is repayable on 31 May 2019. The balance of R43.5 million is interest free, unsecured with no fixed date of repayment, and has been classified as non-current as considered similar to equity.		
	Loan (from)/to subsidiary company – Tradegro S.àr.l	**929 895**	921 236
	R631.4 million of the loan to Tradegro S.àr.l bears interest at a rate of 72% of 3 month ZAR JIBAR plus 2.65%, payable quarterly, and is repayable on 1 March 2018. The balance of R298.4 million is interest free, unsecured and a direct foreign investment, with no fixed date of repayment, and has been classified as non-current as considered similar to equity.		
		4 448 577	3 097 921

		GROUP	
		2017	2016
		£'000	£'000

6. Investments in joint venture

6.1	Consisting of:		
	Shares at cost plus attributable retained income	**658**	203
	Loans	**19 973**	13 543
		20 631	13 746
6.2	**Shares at cost plus attributable retained income**		
	At beginning of the year	**203**	
	Acquisition of joint venture through business combination	**455**	6
	Share of profit	**—**	197
	Carrying value	**658**	203

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

	GROUP	
	2017	2016
	£'000	£'000
6. Investments in joint venture (continued)		
6.3 Loans due from joint arrangements		
Inception (Reading) S.àr.l	**14 000**	13 590
Moorgarth Group Ltd has provided an unsecured £14 000 000 loan to Inception (Reading) Sàrl. Interest accrues daily at an annual rate of 7% +3 month UK LIBOR, payable quarterly. The full capital amount is due for repayment on 28 May 2020.		
Moolmoor Holdings Limited	**3 552**	—
Tradegro S.ar.l has provided an unsecured £3 551 000 loan to Moolmoor Holdings Ltd. Interest accrues daily at an annual rate of 7% +3 month UK LIBOR, payable quarterly. The full capital amount is due for repayment on 28 May 2020.		
Mega Centre JV	**2 421**	(47)
	19 973	13 543

6.4 Details of joint ventures

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

Name of company	Place of business/ country of incorporation	**% ownership interest 2017**	% ownership interest 2016	**Carrying amount £'000 2017**	Carrying amount £'000 2016
Inception (Reading) S.àr.l	UK / Luxembourg	**50**	50	**157**	203
Moolmoor Holdings Ltd	UK	**50**	—	**4**	—
Molmoor Investments Ltd	UK	**50**	—	**43**	—
Incatorque (Pty) Ltd	South Africa	**50.4**	—	**454**	—

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

6.5 Commitments and contingent liabilities in respect of joint venture

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

6.6 Summarised financial information per joint venture entity

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

Summarised financial information for the year ended 28 February 2017

GROUP	£'000 Inception (Reading) S.àr.l	£'000 Moolmoor Holdings Ltd	£'000 Moolmoor Investments Ltd	£'000 Incatorque (Pty) Ltd	£'000 Total
Current					
Cash and cash equivalents	632	—	674	149	1 455
Other current assets (excluding cash)	1 258	7 111	467	16	8 852
Total current assets	1 890	7 111	1 141	165	10 307
Financial liabilities (excluding trade payables)	(591)	—	(99)	(1)	(691)
Other current liabilities (including trade payables)	(851)	(2)	(643)	—	(1 496)
Total current liabilities	(1 442)	(2)	(742)	(1)	(2 187)
Non-current					
Assets	70 523	—	17 046	60	87 629
	70 523	—	17 046	60	87 629
Financial liabilities	(70 656)	(7 101)	(17 338)	(45)	(95 140)
Other liabilities	(805)	—	(112)	(1)	(918)
Total non-current liabilities	(71 461)	(7 101)	(17 450)	(46)	(96 058)
Net assets	(490)	8	(5)	178	(309)

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

6. Investments in joint venture (continued)

6.6 Summarised financial information per joint venture entity (continued)

Summarised financial information for the year ended 28 February 2017 (continued)

GROUP	£'000 Inception (Reading) S.àr.l	£'000 Moolmoor Holdings Ltd	£'000 Moolmoor Investments Ltd	£'000 Incatorque (Pty) Ltd	£'000 Total
Summarised statement of comprehensive income					
Revenue	5 104	—	345	28	5 477
Depreciation and amortisation	—	—	—	(3)	(3)
Interest income	—	111	—	—	111
Income expense	(5 108)	(103)	(238)	(26)	(5 475)
Pre-tax profit from continuing operations	(4)	8	107	(1)	110
Income tax expense	(89)	—	(22)		(111)
Post-tax profit from continuing operations	(93)	8	85	(1)	(1)
Post-tax profit from discontinued operations	—	—	—	—	—
Other comprehensive income	103	—	—	—	103
Total comprehensive income	10	8	85	(1)	102
Reconciliation to carrying value					
Opening net assets	(500)	—	—	—	(500)
Acquisition of joint venture	—	—	—	205	205
Acquisition of joint venture – present value estimate of contingent consideration	—	—	—	249	249
Profit for the period	(93)	8	85	—	—
Other comprehensive income	103	—	—	—	103
Closing net assets	(490)	8	85	454	(397)
Interest in Joint venture @ 50%	(245)	4	43	454	256
Add back: other comprehensive income	402	—	—		402
Carrying value	157	4	43	454	658

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

Summarised financial information for the year ended 29 February 2016

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

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

6. Investments in joint venture (continued)

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

Name of joint operation	Place of business/ country of incorporation	**% ownership interest 2017**	% ownership interest 2016	**Value of net assets £'000 2017**	Value of net assets £'000 2016
Mega Centre JV	Namibia	**50**	50	**6 173**	1 443

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

Summarised balance sheet as at 28 February	**2017**	2016
Current		
Cash and cash equivalents	**48**	100
Other current assets (excluding cash)	**1 010**	663
Total current assets	**1 058**	763
Financial liabilities (excluding trade payables)	**(9 851)**	(7 501)
Other current liabilities (including trade payables)	**(174)**	(419)
Total current liabilities	**(10 025)**	(7 920)
Non-current		
Assets	**15 139**	8 600
	15 139	8 600
Financial liabilities	**—**	—
Other liabilities	**—**	—
Total non-current liabilities	**—**	
Net assets	**6 172**	1 443

Summarised statement of comprehensive income for the year ended 28 February	**2017**	2016
Revenue	**1 672**	2 079
Depreciation and amortisation	**—**	—
Interest income	**47**	1
Income expense	**1 857**	(731)
Pre-tax profit from continuing operations	**3 576**	1 349
Income tax expense	**—**	—
Post-tax profit from continuing operations	**3 576**	1 349
Post-tax profit from discontinued operations	**—**	—
Other comprehensive income	**—**	—
Total comprehensive income	**3 576**	1 349
Dividends received from joint venture	**—**	—

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		GROUP 2017 £'000	2016 £'000
7.	**Investments in associates**		
7.1	**Consisting of:**		
	Shares at cost plus attributable retained income	**2 790**	2 018
	Loans due from associates	**12 049**	5 120
		14 839	7 138
	Loans due to associates	**—**	(1 050)
		14 839	6 088
7.2	**Shares at cost plus attributable retained income**		
	At beginning of the year	**2 018**	1 544
	Acquisition of associates through business combination	**—**	—
	Share of profit	**165**	381
	Equity accounted losses	**257**	—
	Transfer to assets held for sale	**(292)**	—
	Dividends received	**(186)**	(576)
	Foreign currency translation differences	**828**	669
		2 790	2 018
7.3	**Loans due from/(to) associates**		
	Mettle Solar (Pty) Ltd	**2 970**	1 472
	£417 075 of the unsecured loan accrues interest at prime with the balance accruing interest at prime plus 3%. The loan is not repayable within the next year.		
	Lendcor (Pty) Ltd	**373**	—
	The unsecured loan accrues interest at prime and is not repayable within the next year. Interest is repayable quarterly.		
	Westport Property Investments (Pty) Ltd	**833**	—
	Sand City Investments 34 (Pty) Ltd	**4 214**	(1 050)
	Oasis Mall Holdings (Pty) Ltd	**1**	—
	Afrisaf Investment Holdings (Pty) Ltd	**2 240**	—
	Oasis Mall Developments (Pty) Ltd	**(1)**	—
	The above loans are unsecured, bear interest at Namibian Prime and are repayable on demand.		
	Mezz Capital Solutions (Pty) Ltd	**—**	2
	Steps JV (owned by Sand City Investments 34 (Pty) Ltd)	**—**	1 478
	Dunes Mall (Pty) Ltd	**—**	2 169
	Nguni Property Services (Pty) Ltd	**96**	—
	The unsecured loan is interest free and is repayable on demand		
	Seculotte Trading 7 (Pty) Ltd	**1 124**	—
	The unsecured loan accrues interest at the South African prime rate and is repayable on demand		
	Ifana Investments (Pty) Ltd	**199**	—
	The unsecured loan accrues interest at the South African prime rate and is repayable on demand		
		12 049	4 070

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

7. Investments in associates (continued)

7.4 Details of associates

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

Name of company	Place of business/ country of incorporation	**% ownership interest 2017**	% ownership interest 2016	**Carrying amount 2017**	Carrying amount 2016
Impex Treasury Solutions (Pty) Ltd	South Africa	**33.3**	33.3	**—**	194
Gondotrix (Pty) Ltd	South Africa	**50.0**	50.0	**64**	61
Lendcor (Pty) Ltd	South Africa	**49.9**	49.9	**1 802**	1 166
Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	South Africa	**49.9**	49.9	**818**	551
Mettle Solar (Pty) Ltd and its subsidiaries	South Africa	**55.0**	55.0	**—**	—
Mezz Capital Solutions (Pty) Ltd	South Africa	**—**	18.2	**—**	19
Sand City Investment Thirty Four (Pty) Ltd	Namibia	**50.0**	50.0	**37**	27
Dunes Mall (Pty) Ltd	Namibia	**25.0**	50.0	**—**	—
Westport Property Investments (Pty) Ltd	Namibia	**25.0**	—	**69**	—
Oasis Mall Holdings (Pty) Ltd	Namibia	**44.0**	—	**—**	—
Afrisaf Investment Holdings (Pty) Ltd	Namibia	**50.0**	—	**—**	—
Oasis Mall Developments (Pty) Ltd	Namibia	**33.0**	—	**—**	—
Nguni Property Services (Pty) Ltd	Namibia	**50.0**	—	**—**	—
Seculotte Trading 7 (Pty) Ltd	South Africa	**50.0**	—	**—**	—
Ifana Investments (Pty) Ltd	South Africa	**50.0**	—	**—**	—
				2 790	2 018

The carrying value of the associates are shown net of impairment losses. Goodwill of £1 561 841 (2016: £1 011 238) is included in the carrying amounts of the associates.

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

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

The shares in Impex Treasury Solutions were sold after the financial year end, and the investment has been transferred to assets held for sale.

Lendcor (Pty) Ltd

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

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

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

Mettle Solar (Pty) Ltd and its subsidiaries

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

Gondotrix (Pty) Ltd

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

Sand City Investment Thirty Four (Pty) Ltd

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

Afrisaf Investment Holdings (Pty) Ltd

Currently there is no contractual arrangement that outlines control of Afrisaf Investment Holdings (Pty) Ltd. Shareholders therefore share control.

Nguni Property Services (Pty) Ltd

Currently there is no contractual arrangement that outlines control of Nguni Property Services (Pty) Ltd. Shareholders therefore share control.

Seculotte Trading 7 (Pty) Ltd

Currently there is no contractual arrangement that outlines control of Seculotte Trading 7 (Pty) Ltd. Shareholders therefore share control.

Ifana Investments (Pty) Ltd

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

7.5 Summarised financial information for associates

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

Summarised financial information for the year ended 28 February 2017

	Lendcor (Pty) Ltd	Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	Total
Summarised balance sheet			
Current			
Cash and cash equivalents	386	—	386
Other current assets (excluding cash)	4 025	—	4 025
Total current assets	4 411	—	4 411
Financial liabilities (excluding trade payables)	(577)	—	(577)
Other current liabilities (including trade payables)	(589)	—	(589)
Total current liabilities	(1 166)	—	(1 166)
Non-current			
Assets	5 436	1 189	6 625
	5 436	1 189	6 625
Financial liabilities	(6 071)	—	(6 071)
Total non-current liabilities	(6 071)	—	(6 071)
Net assets / (liabilities)	2 610	1 189	3 799
Summarised statement of comprehensive income			
Revenue	2 436	64	2 499
Depreciation and amortisation	(62)	—	(62)
Interest income	1 468	—	1 468
Operating expenses	(399)	63	(336)
Income expense	(2 697)	(1)	(2 698)
Pre-tax profit from continuing operations	746	126	872
Income tax expense	(195)	63	(132)
Post-tax profit from continuing operations	551	189	740
Post-tax profit from discontinued operations			
Other comprehensive income			
Total comprehensive income	551	189	740
Dividends received from associate	105	32	137
Reconciliation to carrying value			
Opening net assets	1 594	193	1 787
Profit for the period	340	—	340
Acquisition of associate			
Foreign exchange differences	87	(95)	(8)
Closing net assets	2 022	98	2 119
Interest in associates	1 009	49	1 058
Goodwill	793	769	1 562
Carrying value	1 802	818	2 620

Summarised financial information for the year ended 29 February 2016

	Lendcor (Pty) Ltd	Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	Total
Summarised balance sheet			
Current			
Cash and cash equivalents	257	1	375
Other current assets (excluding cash)	3 128	—	3 915
Total current assets	3 385	1	4 290
Financial liabilities (excluding trade payables)	(1 381)	—	(5 930)
Other current liabilities (including trade payables)	(136)	—	(452)
Total current liabilities	(1 517)	—	(6 382)
Non-current			
Assets	2 147	835	13 078
Deferred tax	—	—	270
	2 147	835	13 348
Financial liabilities	(2 407)	—	(8 464)
Deferred tax	—	—	(295)
Total non-current liabilities	(2 407)	—	(8 759)
Net assets / (liabilities)	1 608	836	2 497
Summarised statement of comprehensive income			
Revenue	1 190	790	2 063
Depreciation and amortisation	(44)	(23)	(51)
Interest income	659	368	1 027
Operating expenses	(1 227)	(824)	(2 051)
Income expense	(184)	(114)	(311)
Pre-tax profit from continuing operations	394	197	677
Income tax expense	(101)	(65)	(194)
Post-tax profit from continuing operations	293	132	483
Post-tax profit from discontinued operations	—	—	—
Other comprehensive income	—	—	—
Total comprehensive income	293	132	483
Dividends received from associate	—	562	562
Reconciliation to carrying value			
Opening net assets	—	72	71
Profit for the period	293	132	483
Acquisition of associate	1 326	—	1 326
Foreign exchange differences	(25)	(11)	(40)
Closing net assets	1 594	193	1 840
Interest in associates	796	96	919
Goodwill	370	455	825
Carrying value	1 166	551	1 744

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY 2016 R'000	COMPANY 2017 R'000			GROUP 2017 £'000	GROUP 2016 £'000
		7.	**Investments in associates (continued)**		
		7.6	**Individually immaterial associates**		
			In addition to the interests in associates disclosed above, the group also has interests in a number of individually immaterial associates that are accounted for using the equity method.		
			Aggregate carrying amount of individually immaterial associates	**170**	274
			Aggregate amounts of the group's share of		
			– Profit/(loss) from continuing operations	**(239)**	95
			Total comprehensive income	**(239)**	95
		8 .	**Loans receivable**		
		8.1	**Consisting of:**		
			Loans and receivables with key persons – refer note 8.4	**1 683**	1 248
			Loans and receivables – other 8.5	**129**	3 220
				1 812	4 468
		8.2	**Opening balance**	**4 468**	1 905
33 977	—		Loans granted	**68**	3 216
—	—		Interest	**135**	118
2 411	—		Repayments	**(4 367)**	(377)
(8 406)	—		Cession to group company	—	—
(28 090)	—		Overpayment allocated to Trade and other payables	—	5
108	—		Foreign currency translation differences	**1 508**	(399)
—	—		Closing balance	**1 812**	4 468

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

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

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

		GROUP 2017 £'000	GROUP 2016 £'000
8.4	**Subscribers and loan balance due**		
	AS Trust (FH Esterhuyse) – 1 664 490 shares	**1 494**	1 007
	Prinsloo Trust (HF Prinsloo) – 610 386 shares	—	—
	HM4 Trust (HW May) – 176 904 shares	—	108
	KL Nordier – 48 219 shares	**35**	30
	FM ver Loren van Themaat – 166 667 shares	**154**	103
		1 683	1 248

		GROUP 2017 £'000	2016 £'000
8.5	**Loan balance due**		
	Demashuwa Property Developers (Pty) Limited	**—**	2 733
	Other	**129**	487
		129	3 220

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

9. Deferred taxation

		2017 £'000	2016 £'000
	Deferred taxation assets	**10 961**	510
	Deferred taxation liabilities	**(45 628)**	(526)
	Net deferred taxation	**(34 667)**	(16)
9.1	**Deferred taxation assets**		
	Taxable timing differences consisting of:		
	Tax losses carried forward	**10 676**	467
	Property, plant and equipment	**186**	9
	Provisions and other liabilities	**99**	34
		10 961	510
9.2	**Deferred taxation liabilities**		
	Taxable timing differences consisting of:		
	Timing differences on prior year adjustments and rate adjustments	**—**	(151)
	Provisions and accruals	**(10)**	(86)
	Tax losses carried forward	**—**	546
	Revaluation of investment properties	**(39 778)**	—
	Lease straight-lining	**(288)**	(96)
	Property, plant and equipment	**(5 552)**	(739)
		(45 628)	(526)
9.3	**The gross movement on the deferred taxation is as follows:**		
	At beginning	**(16)**	101
	Acquired through business combinations	**(29 543)**	—
	Income tax charge – refer note 27.2	**(2 589)**	143
	Increase in tax losses available for set-off against future taxable income	**(248)**	—
	On acquisition/(disposal) of subsidiaries	**—**	(273)
	Functional currency translation differences - recognised through other comprehensive income	**(2 271)**	13
	At end of year	**(34 667)**	(16)
9.4	Portion of deferred tax asset to be realised within twelve months	**—**	11

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

		GROUP 2017 £'000	2016 £'000
9.	**Deferred taxation (continued)**		
9.5	Unutilised assessed losses at the beginning of the year	**487**	990
	Losses incurred during the year	**58**	5 283
	Acquired through business combinations	**24 722**	179
	Utilised during the year	**(406)**	(377)
	Foreign currency translation movements	**700**	—
	Unutilised assessed losses at the end of the year	**25 561**	6 075
	Assessed losses applied in the provision for deferred tax	**(277)**	(5 588)
	Assessed losses to be applied in reduction of future taxable income	**25 284**	487
10.	**Financial assets**		
10.1	**Consisting of:**		
	Financial assets at fair value through profit or loss	**5 924**	6 344
	The asset was valued using an income based approach to determine the fair value.		
10.1.2	24 987 502 (2016: 24 990 001) A Shares in DV4 Ltd designated at fair value through profit or loss		
	At beginning of year	**6 344**	—
	Acquired through business combinations	**—**	6 855
	Fair value loss	**(419)**	(237)
	Distribution received	**(1)**	(274)
	At end of year	**5 924**	6 344
10.2	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 2017 – refer note 34.9		
10.3	Analysis of total financial assets:		
	Non-current	**—**	—
	Current	**5 924**	6 344
		5 924	6 344
11.	**Assets held for sale**		
11.1	**Consisting of:**		
	UK investment property – refer note 11.2	**14 000**	—
	Investment in associate – refer note 11.3	**389**	—
		14 389	—

11.2 The Listergate retail unit in Nottingham, United Kingdom was disposed of in March 2017 for £14 million, and revalued to its selling price at the financial year-end.

11.3 The 33.3% holidng in Impex Treasury Solutions (Pty) Ltd was disposed of in April 2017 for £389 000 and revalued to its selling price at the financial year-end.

	GROUP 2017 £'000	2016 £'000

12. Trade and other receivables

12.1 Consisting of:

	2017 £'000	2016 £'000
Trade receivables	**47 721**	37 432
Gross receivables	**48 778**	38 314
Trade receivables	**2 293**	836
Outstanding rent	**4 272**	4 275
Loans and advances Reward – refer note 12.4	**40 995**	31 954
Loans and advances Mettle – refer note 12.4	**1 168**	1 188
Loans and advances – other– refer note 12.4	**50**	61
Provision for impairment	**(1 057)**	(882)
Loans and advances	**(981)**	(871)
Other	**(76)**	(11)
Proceeds due on sale of property (Barloworld)	**3 871**	—
Deposits on purchase of property	**—**	2 609
Lease incentives	**3 810**	2 113
Rent-free prepayments	**2 446**	1 101
Deferred consideration receivable – sale of Lendcor – refer note 12.8	**316**	289
Prepayments	**1 295**	293
Straightline lease assets	**1 118**	376
Receivable due on sale of land	**2**	832
Deferred finance charges	**—**	411
Indirect taxes receivable	**2 258**	1 171
Rental deposits	**2 806**	260
Loan arrangement fees	**888**	497
Other receivables	**974**	969
	67 505	48 354

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

12.2 Analysis of total trade and other receivables

	2017 £'000	2016 £'000
Non-current assets	**552**	303
Current assets	**66 953**	48 051
	67 505	48 354

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

		GROUP 2017 £'000	2016 £'000
12.	**Trade and other receivables (continued)**		
12.3	There is no significant concentration of credit risk with respect to outstanding rent trade receivables, as the group has a large number of tenants. As of 28 February 2017 and 29 February 2016, all outstanding rent trade receivables were fully performing.		
12.4	The principal activities of Reward are to target the SME finance market and support SMEs in the UK with short-term asset based funding and debt factoring services. The business model is to provide short-term capital to cash-strapped companies. Trade receivables are secured by a combination of properties, debtors, debentures and equity shares to the value of £84 million (2016: £43.9 million).		
	The principal activities of Mettle are to target the SME finance market and support SMEs in South Africa with short-term asset based funding and debt factoring services. The business model is to provide short-term capital to cash-strapped companies. Trade receivables are secured by a combination of properties, debtors, motor vehicles and suretyships to the value of £1.5 million (2016: £0.4 million)		
12.4.1	The exposure to risk and movement in the loans and advances balance is as follows:		
	Loans and advances at start of year	**33 203**	24 306
	Acquisition of subsidiary – Mettle	**—**	(1 127)
	Acquisition of subsidiary – Tete Hollow	**—**	(12)
	Gross loans advanced to customers	**79 234**	62 925
	Interest and other fees	**7 721**	6 862
	Gross loans paid by customers	**(78 390)**	(58 618)
	Loans written off in the year	**—**	(410)
	Foreign currency translation differences and forex losses	**445**	(723)
	Gross loans and advances at year end	**42 213**	33 203
12.4.2	The loan loss rate is as follows:		
	Loans and advances at year end	**42 213**	33 203
	Provision for impairment of loans and advances	**(981)**	(871)
	Net balance	**41 232**	32 332
	Impairment charge in profit and loss	**245**	343
	Loan loss rate for the period	**0.31%**	0.54%
12.5	**The ageing of trade receivables are as follows:**		
	Neither past due nor impaired		
	30 days	**39 000**	30 236
	60 days	**261**	2
	Past due but not impaired	**133**	—
	30 days past due	**136**	818
	60 days past due	**16**	1 464
	90 days past due	**16**	—
	More than 90 days past due	**8 159**	5 305
	Impaired	**1 057**	489
	Total gross balance	**48 778**	38 314

		GROUP	
		2017	2016
		£'000	£'000
12.6	**Movement in the provision for impairment of loans and advances were as follows:**		
	Balance at beginning of the year	**882**	998
	Disposal of subsidiary – Lendcor	**—**	—
	Acquisition of subsidiary – Collins South Africa	**11**	—
	Acquisition of subsidiary – other	**—**	—
	Additional provision charged during the year	**222**	336
	Utilised during the year	**(85)**	(443)
	Released during the year	**1**	(2)
	Foreign currency translation differences and forex losses	**26**	(7)
	Balance at end of the year	**1 057**	882
12.7	**Credit quality of trade receivables (net of provisions)**		
	Trade receivables without external credit rating:		
	Group 1	**31 466**	8 064
	Group 2	**14 193**	22 433
	Group 3	**2 062**	6 935
		47 721	37 432

Group 1 – new customers (less than 6 months)

Group 2 – existing customers (more than 6 months) with no defaults in the past

Group 3 – existing customers (more than 6 months) with some defaults in the past, which were fully recovered

12.8 Deferred consideration

Mettle Investments (Pty) Ltd sold a subsidiary during the prior year and the purchase price is outstanding at year-end. The purchase price accrues interest at prime less 2%.

		2017	2016
12.9	**The carrying amount of trade and other receivables are denominated in the following currencies:**		
	Pound Sterling	**55 170**	43 803
	Rand	**8 187**	2 142
	USD	**2 458**	1 300
	Namibian Dollar	**1 442**	635
	Other – Swiss franc/Euro	**248**	474
		67 505	48 354

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY 2016 R'000	COMPANY 2017 R'000			GROUP 2017 £'000	GROUP 2016 £'000
		13.	**Cash and cash equivalents**		
		13.1	**Consisting of:**		
122 694	**401**		Cash at bank and on hand	**30 506**	16 219
			Short-term bank deposits	**425**	9
16 149	**—**		Cash as security for borrowings	**—**	5 725
138 843	**401**			**30 931**	21 953
			Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
138 843	**401**		Cash and cash equivalents	**30 931**	21 953
—	**—**		Bank overdrafts	**(558)**	—
138 843	**401**			**30 373**	21 953
		13.2	**Cash as security for borrowings**		
16 149	**—**		Security for short-term borrowings	**—**	725
—	**—**		Security for long-term borrowings – refer note 17.2.15	**530**	97
—	**—**		Security for derivative	**—**	5 000
16 149	**—**			**530**	5 822
		13.3	**Carrying amount of cash and cash equivalents are denominated in the following currencies:**		
5	**3**		Pound Sterling	**21 806**	13 235
138 736	**365**		Rand	**3 648**	6 624
—	**—**		USD	**4 478**	1 336
—	**—**		Namibian Dollar	**382**	222
102	**33**		Other	**617**	536
138 843	**401**			**30 931**	21 953
		14.	**Ordinary share capital**		
		14.1	**Authorised:**		
2 100	**—**		310 000 000 (2016: 210 000 000) ordinary shares of no par value (2016: 1 cent each)	**—**	191
			The authorised ordinary shares were increased by 100 000 000 shares on 15 February 2017, for purposes of the shares issue in terms of the Collins SA portfolio acquisition transaction, and the authorised and issued ordinary shares were converted to no par value shares on the same date.		
		14.2	**Issued:**		
1 882	**3 759 384**		247 092 926 (2016: 188 239 902) ordinary shares of no par value (2016: 1 cent each)	**261 633**	236
2 450 638	**—**		Share premium	**—**	186 062
2 452 520	**3 759 384**			**261 633**	186 298

COMPANY 2016 R'000	COMPANY 2017 R'000			GROUP 2017 £'000	GROUP 2016 £'000
		14.3	**Reconciliation of number of shares issued:**		
156 132 877	**188 239 902**		Balance at beginning of the year	**188 239 902**	156 132 877
28 907 025	**—**		Issue of shares – ordinary shares	**—**	28 907 025
3 200 000	**1 189 730**		Issue of shares to Mettle sellers – ordinary shares – refer note 14.4	**1 189 730**	3 200 000
—	**57 681 879**		Issue of shares to Collins SA portfolio sellers – ordinary shares – refer note 29.5.1	**57 681 879**	—
—	**7 414 761**		Issue of shares to Imbali Props 21 (Pty) Ltd shareholders – ordinary shares	**7 414 761**	—
—	**(7 433 346)**		Buy back of shares from Imbali Props 21 (Pty) Ltd – ordinary shares	**(7 433 346)**	—
188 239 902	**247 092 926**		Balance at end of the year	**247 092 926**	188 239 902

The buy-back of shares from Imbali Props 21 (Pty) Ltd and the re-issue of shares to the shareholders of Imbali Props 21 (Pty) Ltd set out above, form part of the restructuring undertaken by the Collins SA group prior to its purchase by the company, in order to eliminate a potential cross-shareholding by Imbali Props 21 (Pty) Ltd in the shares of the company.

The average price paid for the repurchased equity securities amounted to R22.78 per share.

14.4 As part of the settlement of the deferred consideration due in respect of the Mettle acquisition in the 2015 financial year, the following shares were issued to directors on 10 June 2016:

	GROUP 2017	GROUP 2016
FH Esterhuyse	**249 123**	732 463
KL Nordier	**53 196**	57 863

14.5 The unissued share capital is under the control of the directors who may issue it on such terms and conditions as they in their discretion deem fit. This authority will be tabled for extension at the forthcoming annual general meeting.

15. Reserves

COMPANY 2016 R'000	COMPANY 2017 R'000			GROUP 2017 £'000	GROUP 2016 £'000
236	**—**	**15.1**	**Non-distributable reserves**	**16 646**	1 220
—	**—**		Foreign currency translation reserve	**17 010**	1 735
—	**—**		Cash flow hedging reserve – refer note 15.3	**(400)**	(535)
236	**—**		Capital redemption reserve fund	**36**	20

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY 2016 R'000	COMPANY 2017 R'000			GROUP 2017 £'000	GROUP 2016 £'000
		15.	**Reserves (continued)**		
		15.2	**Distributable reserve**		
(80 382)	**(123 118)**		(Accumulated loss)/retained earnings	**16 775**	(27 351)
(80 146)	**(123 118)**			**33 421**	(26 131)
			During the year a dividend of £572 244 (2016: £495 046) was declared and paid out of stated capital as approved by the board of directors. The Rand equivalent of this declaration was R12 312 926 (2016: R9 559 973).		
		15.3	**Cash flow hedging reserve**		
			Balance at beginning of the year	**(535)**	(412)
			Other comprehensive income for the year	**(33)**	(163)
			Attributable to minority share	**168**	40
				(400)	(535)
		16.	**Preference share liability**		
		16.1	**Authorised:**		
893	**—**		131 750 000 (2016: 89 250 000) non-convertible, non-participating, non-transferable redeemable preference shares of no par value (2016: 1 cent each)	**—**	82
—	**—**		65 000 000 (2016: 65 000 000) cumulative, redeemable "A" preference shares of no par value	**—**	—
—	**—**		40 000 000 (2016: 40 000 000) unspecified preference shares of no par value	**—**	—
893				**—**	82
		16.2	**Issued:**		
574	**780**		77 964 625 (2016: 57 391 218) non-convertible, non-participating, non-transferable redeemable preference shares of 1 cent each – refer note 16.3	**48**	26
629 336	**630 801**		61 927 500 (2016: 61 927 500) cumulative, redeemable "A" preference shares of R10 each – refer note 16.4	**38 951**	28 262
629 910	**631 581**			**38 999**	28 288

COMPANY				GROUP	
2016	**2017**			**2017**	2016
R'000	**R'000**			**£'000**	£'000

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

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

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

16.4 The 61 927 500 cumulative redeemable "A" preference shares have been listed on the JSE since the issue date of 6 February 2015.

Dividends are calculated quarterly at a rate of 72% of 3 month ZAR JIBAR plus 2.65% and payable quarterly, with the full outstanding subscription amount to be redeemed on 7 February 2018.

COMPANY 2016 R'000	COMPANY 2017 R'000		GROUP 2017 £'000	GROUP 2016 £'000
620 135	**629 336**	Balance at beginning of the year	**28 262**	34 702
—	**—**	Drawn during the year	**—**	—
—	**—**	Foreign exchange movement	**10 612**	(6 891)
665	**665**	Deferred finance charges	**35**	32
44 332	**48 770**	Interest accrued	**2 572**	2 174
(35 796)	**(47 970)**	Interest paid	**(2 530)**	(1 755)
629 336	**630 801**	Balance at end of the year	**38 951**	28 262

The group hedges the payables under this financial liability for currency and interest rate risk via a cross-currency swap which exchanges ZAR for GBP and ZAR JIBAR linked interest for GBP LIBOR linked interest. The derivative financial instrument is adjusted for fair value movements in the hedged risk – refer note 18

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

	GROUP	
	2017	2016
	£'000	£'000

17. Long-term borrowings

17.1 Consisting of:

Financial liabilities at amortised cost	**474 167**	69 937

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

17.2 Financial liabilities at amortised cost

17.2.1 HSBC loan (Inception Holdings)- secured

Balance at beginning of the year	**23 995**	16 306
Drawn during the year	**3 575**	7 675
Repaid during the year	**(1 100)**	(969)
Interest	**1 114**	983
Balance at end of the year	**27 584**	23 995

On 24 December 2013 Inception Holdings S.àr.l. (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l.) entered into a 5 year term loan of up to £21 544 000 to purchase and then re-furbish the Market Place Shopping Centre in Bolton. The loan facility was subsequently increased to £26 404 000 on 3 April 2014 and again on 2 March 2016 to £28 129 000.

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

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

17.2.2 HSBC loan (Inception Living S.ar.l)- secured

Balance at beginning of the year	**8 123**	—
Drawn during the year	**—**	8 100
Repaid during the year	**(206)**	(165)
Interest	**203**	188
Balance at end of the year	**8 120**	8 123

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

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

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

		GROUP	
		2017	2016
		£'000	£'000
17.2.3	**HSBC loan (The Boutique Workplace Company Limited)- secured**		
	Balance at beginning of the year	**6 108**	—
	Drawn during the year	**—**	6 400
	Repaid during the year	**(1 506)**	(355)
	Interest	**219**	63
	Balance at end of the year	**4 821**	6 108

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

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

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

17.2.4	**Europrop Holdings Limited – unsecured**		
	Balance at beginning of the year	**3 943**	3 131
	Drawn during the year	**850**	500
	Repaid during the year	**—**	(1)
	Interest	**309**	313
	Balance at end of the year	**5 102**	3 943

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

17.2.5	**Santander – secured**		
	Balance at beginning of the year	**1 354**	—
	Acquired through business combinations	**—**	2 345
	Repaid during the year	**(1 355)**	(1 145)
	Interest	**1**	154
	Balance at end of the year	**—**	1 354

The loan was wholly secured by a debenture over Apex Properties Ltd including a fixed charge over all property and assets owned by the company, and repaid in full from the proceeds of the sale of the fixed property. The loan bore interest at a fixed annual rate of 5.17%

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

	GROUP	
	2017	2016
	£'000	£'000

17. Long-term borrowings (continued)

17.2 Financial liabilities at amortised cost (continued)

17.2.6 Shandon Investments Ltd – Unsecured

	2017 £'000	2016 £'000
Balance at beginning of the year	**76**	—
Drawn during the year	**75**	75
Repaid during the year	**(3)**	—
Interest	**4**	1
Balance at end of the year	**152**	76

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

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

17.2.7 HSBC loan (Wandle Point Management Ltd) – secured

	2017 £'000	2016 £'000
Balance at beginning of the year	**—**	—
Drawn during the year	**2 952**	—
Repaid during the year	**(34)**	—
Interest	**41**	—
Balance at end of the year	**2 959**	—

On 19 July 2016 Wandle Point Management Ltd (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l.) entered into a 3 year loan facility of £2 951 940 with HSBC, to fund the acquisition of 9 residential units at the Avonview development in Clapham, London.

Interest is calculated daily at an annual rate of 1.8% + 3 month LIBOR and payable quarterly, with the full outstanding capital amount to be settled at the end of a 3 year period.

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

17.2.8 HSBC (Moorgarth Living Ltd) – secured

	2017 £'000	2016 £'000
Balance at beginning of the year	**—**	—
Drawn during the year	**6 960**	—
Repaid during the year	**—**	—
Interest	**5**	—
Balance at end of the year	**6 965**	—

On 16 February 2017 Moorgarth Living Ltd (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l.) entered into a 3 year loan facility of £6 960 000 with HSBC, to fund the acquisition of a commercial property, 71-73 Carter Lane, London.

Interest is calculated daily at an annual rate of 1.85% + 3 month LIBOR and payable quarterly, with the full outstanding capital amount to be settled at the end of a 3 year period.

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

		GROUP	
		2017	2016
		£'000	£'000
17.2.9	**HSBC (Moorgarth Retail Ltd) – secured**		
	Balance at beginning of the year	**—**	—
	Drawn during the year	**6 300**	—
	Repaid during the year	**(43)**	—
	Interest	**59**	—
	Balance at end of the year	**6 316**	—

On 28 September 2016 Moorgarth Retail Ltd (a subsidiary of Moorgarth Holdings (Luxembourg) S.àr.l.) entered into a 3 year loan facility of £6 300 000 with HSBC, to fund the acquisition of a commercial property, 14-20 Lister Gate, Nottingham.

Interest is calculated daily at an annual rate of 1.85% + 3 month LIBOR and payable quarterly, with the full outstanding capital amount to be settled at the end of a 3 year period.

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

17.2.10	**Standard Bank – secured**		
	Balance at beginning of the year	**17 728**	4 411
	Drawn during the year	**4 800**	15 921
	Repaid during the year	**(1 611)**	(4 411)
	Interest	**1 738**	326
	Foreign currency translation differences	**2 179**	1 481
	Balance at end of the year	**24 834**	17 728

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

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

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

	GROUP 2017 £'000	2016 £'000
17. Long-term borrowings (continued)		
17.2 Financial liabilities at amortised cost (continued)		
17.2.11 Mauritius Commercial Bank – secured		
Balance at beginning of the year	**219**	—
Acquired through business combinations	**—**	369
Repaid during the year	**(77)**	(201)
Interest	**35**	41
Foreign currency translation differences	**(45)**	10
Balance at end of the year	**132**	219

In April 2014 Tete Hollow Limitada entered into a 5 year term loan of up to USD 600 000 to fund the development of a 24 room residential camp in Tete.

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

	GROUP 2017 £'000	2016 £'000
17.2.12 First National Bank South Africa – secured		
Balance at beginning of the year	**—**	—
Drawn during the year	**4 728**	—
Foreign currency translation differences	**(93)**	—
Balance at end of the year	**4 635**	—

In August 2016 Attebury Matola Limitada entered into a 5 year term loan of up to USD 6 000 000 to purchase a property in Maputo.

Interest is calculated daily at an annual fixed rate of 7.756847% LIB01 NACM on the USD 5.5 million and an annual fixed rate of 8.226% LIB01 NACM on the USD460 648 and payable monthly, with an outstanding capital amount of USD3.57 million to be settled at the end of the 5 year term.

	GROUP 2017 £'000	2016 £'000
17.2.13 Nedbank South Africa – secured		
Balance at beginning of the year	**18 883**	—
Acquired through business combination	**—**	23 998
Drawn during the year	**23 901**	8 193
Repaid during the year	**(29 353)**	(8 295)
Interest	**2 391**	1 812
Foreign currency translation differences	**7 490**	(6 825)
Balance at end of the year	**23 312**	18 883

Interest is calculated daily at an annual rate of South African Prime less 0.25% (10.25%) and payable monthly.

Capital of £1 482 475 is payable within 12 months and the remaining balance in more than 12 months.

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

		GROUP	
		2017	2016
		£'000	£'000
17.2.14	**Africol Property Investments (Pty) Ltd – unsecured**		
	Balance at beginning of the year	**1 829**	—
	Acquired through business combinations	**—**	2 280
	Drawn during the year	**6 522**	1 775
	Repaid during the year	**(5 968)**	(1 961)
	Interest	**62**	135
	Foreign currency translation differences	**696**	(400)
	Balance at end of the year	**3 141**	1 829

The loan is unsecured, bears interest at South Africa prime and has no fixed terms of repayment – refer note 35

17.2.15	**Small Enterprise Finance Agency SOC Limited ("SEFA") – secured**		
	Balance at beginning of the year	**654**	724
	Drawn during the year	**556**	739
	Repaid during the year	**(206)**	(739)
	Interest	**124**	79
	Foreign currency translation differences	**266**	(149)
	Balance at end of the year	**1 394**	654

The loan accrues interest at South African prime plus 1%. Interest is payable monthly with capital repayable in semi-annual instalments over the remaining term of the five year facility. The loan is secured by Mettle Administrative Services (Pty) Ltd's cash balances and loan and trade receivables of £1 541 802 (2016: £897 912). Refer note 13.2

17.2.16	**Nedbank South Africa**		
	Balance at beginning of the year	**—**	—
	Acquired through business combination	**251 695**	—
	Drawn during the year	**568**	—
	Repaid during the year	**(5 328)**	—
	Interest	**3 601**	—
	Foreign currency translation differences	**17 602**	—
	Balance at end of the year	**268 138**	—

Interest is calculated monthly across multiple facilities at rates from the South African prime rate less 1.5% to the South African prime rate plus 0.5%. In addition certain facilities are at a fixed rates ranging from 10.32% to 13.30%. All interest is payable monthly.

Capital of £4.7 million is payable within 12 months and the remaining balance in more than 12 months.

The loan is wholly secured by:

- the investment properties within South Africa and an additional 25% is pledged to cover Nedbank's costs, expenses and disbursements over investment property secured, and
- execution of limited joint and several suretyships and guarantees from the Collins shareholders, in favour of Nedbank, which will and have been replaced within the past financial period by Tradegro Holdings (Pty) Ltd guarantees.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

	GROUP	
	2017	2016
	£'000	£'000
17. Long-term borrowings (continued)		
17.2 Financial liabilities at amortised cost (continued)		
17.2.17 Nedbank South Africa preference shares		
Balance at beginning of the year	**—**	—
Acquired through business combination	**9 446**	—
Drawn during the year	**—**	—
Repaid during the year	**(128)**	—
Interest	**109**	—
Foreign currency translation differences	**656**	—
Balance at end of the year	**10 083**	—

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

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

The liability is wholly secured by:

– a loan facility with Nedbank equal to the maximum principal amount of preference share A,
– certain investment properties within South Africa,
– execution of limited joint and several suretyships and guarantees from Tradegro Holdings (Pty) Ltd limited to ZAR39 million, and
– execution of limited joint and several suretyships and guarantees from the Collins shareholders, in favour of Nedbank, over preference shares "B", limited to ZAR5.4 million, which will and have been replaced within the past financial period by Tradegro Holdings (Pty) Ltd guarantees.

17.2.18 Investec Bank Limited South Africa		
Balance at beginning of the year	**—**	—
Acquired through business combination	**57 923**	—
Drawn during the year	**—**	—
Repaid during the year	**(4 764)**	—
Interest	**951**	—
Foreign currency translation differences	**4 068**	—
Balance at end of the year	**58 178**	—

Interest is calculated monthly across multiple facilities at rates from the South African prime rate less. 50% less to the South African prime rate, and at a fixed rates ranging from 9.70% to 13.24%. All interest is payable monthly.

Capital of £5.168 million is payable within 12 months and the remaining balance in more than 12 months.

The loans are wholly secured by:

– investment properties within South Africa,
– plant and equipment within South Africa,
– execution of limited joint and several suretyships and guarantees from the Collins shareholders, in favour of Investec, which will and have been replaced within the past financial period by Tradegro Holdings (Pty) Ltd guarantees.

	GROUP 2017 £'000	2016 £'000
17.2.19 Sanlam South Africa		
Balance at beginning of the year	**—**	—
Acquired through business combination	**3 774**	—
Drawn during the year	**—**	—
Repaid during the year	**(95)**	—
Interest	**27**	—
Foreign currency translation differences	**260**	—
Balance at end of the year	**3 966**	—

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

Capital of £222 296 is payable within 12 months and the remaining balance in more than 12 months.

The loan is wholly secured by:

- the investment property within South Africa,
- a cession of all contractual rental income derived from, insurance policies and VAT refunds in respect of investement property secured, and
- rental guarantee in the amount of £111 148 .

	GROUP 2017 £'000	2016 £'000
17.2.20 Absa Bank South Africa		
Balance at beginning of the year	**—**	—
Acquired through business combination	**52**	—
Repaid during the year	**(2)**	—
Interest	**1**	—
Foreign currency translation differences	**4**	—
Balance at end of the year	**55**	—

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

The loan is wholly secured by the investment property within South Africa.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

		GROUP	
		2017	2016
		£'000	£'000
17.	**Long-term borrowings (continued)**		
17.2	**Financial liabilities at amortised cost (continued)**		
17.2.21	**Rand Merchant Bank South Africa**		
	Balance at beginning of the year	**—**	—
	Acquired through business combination	**27 144**	—
	Drawn during the year	**—**	—
	Repaid during the year	**(353)**	—
	Interest	**471**	—
	Foreign currency translation differences	**1 911**	—
	Balance at end of the year	**29 173**	—

Interest is calculated at a monthly rate of South African prime rate less 1.5% and at a fixed rate of 11.027%, and all interest is payable monthly.

No capital is payable within 12 months and the remaining balance in more than 12 months.

The loan is wholly secured by:

- the investment property within South Africa,
- execution of limited joint and several suretyships and guarantees from the Collins shareholders, in favour of Rand Merchant Bank, which will and have been replaced within the past financial period by Tradegro Holdings (Pty) Ltd guarantees, and
- cession of all benefits, right, title and interest in and to the insurance policy, any rental agreement and sale agreement concluded in respect of the mortgage property.

		2017 £'000	2016 £'000
17.3	**Undrawn borrowing facilities:**		
	HSBC loan	**686**	2 535
	Europrop Holdings Limited	**3 475**	3 975
	Shandon Investments Limited	**—**	75
	SEFA	**1 575**	1 569
		5 736	8 154
17.4	**Analysis of long-term borrowings:**		
	Non-current	**474 167**	69 937
	Current – refer note 22.1	**14 893**	12 975
		489 060	82 912

	GROUP 2017 £'000	2016 £'000
18. Derivative financial instruments		
18.1 Consisting of:		
Fair value through profit and loss – designated as a cash flow hedge – refer note 18.2	**532**	711
Fair value through profit and loss – held for trading – refer note 18.3	**(2 656)**	7 854
	(2 124)	8 565
18.2 HSBC loan – secured		
Market to market value of interest rate swap	**532**	711

On 4 April 2014 Inception Holdings S.àr.l entered into an interest rate swap, whereby the interest rate on 70% of the notional drawn balance was fixed at 2.155%, meaning that the total cost of funds is 4.905% on £15 143 100 of the loan, with the balance at the HSBC rate. HSBC performed a mark to market valuation at year end, which shows a potential loss of £531 780 (2016: £712 380) if the group broke the swap.

The notional principle amount of the outstanding interest rate swap contract at 28 February 2017 was £15 143 000 (2016: £15 143 100).

At 28 February 2017, the fixed interest rate was 2.155% (2016: 2.155%), and the floating rate was 3 Month LIBOR + 2.75% (2016: 3 Month LIBOR +2.75%). Refer note 17.2.1

There was no ineffectiveness to be recorded from cash flow hedges.

18.3 Rand Merchant Bank GBP ZAR cross currency interest rate swap		
Fair value at end of the year	**(2 656)**	7 854

The Rand listed preference share liability was exchanged for a £liability at the rate of exchange on the issue date, and the dividend rate of (72% of three month JIBAR) + 2.65% payable in Rand on the Rand amount of the listed preference shares was exchanged for an interest rate of three month GBP LIBOR + 1.46% with no credit support annex (2016: GBP LIBOR + 0.94% supported by a credit support annex with a cap of £5 million), payable in GBP on the notional GBP liability, meaning that the capital value of the liability is £35 673 756 and the total cost of funds is GBP LIBOR + 1.46% (2016: GBP LIBOR + 0.94%).

Rand Merchant Bank performed a mark to market valuation at year end, which shows a potential gain of £2 656 036 (2016: loss of £7 853 687) on the swap, resulting from the ZAR appreciation against the £since the previous year end (with the loss reflected in the preference share liability), and the margin earned by Rand Merchant Bank on the derivative.

The swap is unsecured (2016: secured by a credit support annex with a cap of £5 million and a minimum transfer amount of £500 000).

18.4 Analysis of derivative financial instruments:		
Non-current	**532**	8 565
Current	**(2 656)**	—
	(2 124)	8 565

The full fair value of a hedging derivative is classified as a non-current liability if the remaining maturity of the hedged item is more than 12 months.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY 2016 R'000	COMPANY 2017 R'000			GROUP 2017 £'000	GROUP 2016 £'000
		19.	**Deferred revenue**		
			Consisting of:		
			Rent received in advance	**7 581**	5 801
		20.	**Contingent consideration**		
		20.1	**Consisting of:**		
37 639	—		Financial liability carried at fair value through profit or loss – Mettle – refer note 20.2	—	1 691
			Financial liability carried at amortised cost – other	**105**	106
37 639	—			**105**	1 797
		20.2	The group purchased the share capital of Mettle Investments (Pty) Ltd during the 2015 financial year.		
			The final purchase consideration was settled during the year.		
			Balance at beginning of the year	**1 691**	1 980
			Settled through the issue of ordinary shares	**(2 004)**	—
			Unwinding of interest	**19**	110
			Foreign currency translation	**294**	(399)
			Balance at end of the year	—	1 691
		21.	**Trade and other payables**		
			Trade payables	**2 710**	4 689
3 525	**8 313**		Other payables and accrued expenses – refer note 35	**12 002**	2 762
			Leave accrual	**19**	11
			Deposits held	**3 365**	—
			Lease guarantee liability	**240**	285
			Deferred income	**5 268**	3 645
			Deferred contingent consideration – acquisition of Incatorque (Pty) Ltd	**250**	—
			Undrawn commitments on DV4 Ltd fund	—	351
			Social security and other taxes	**745**	285
3 525	**8 313**			**24 599**	12 028

The carrying value amount is the amortised cost which approximates fair value.

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

COMPANY				GROUP	
2016	**2017**			**2017**	2016
R'000	**R'000**			**£'000**	£'000
		21.1	**The carrying amount of trade and other payables are denominated in the following currencies:**		
			Pound Sterling	**18 910**	11 023
2 431	**6 585**		Rand	**2 739**	317
			USD	**2 405**	47
			Namibian dollar	**269**	446
1 094	**1 728**		Other – Swiss franc/Euro/Zambian Kwacha/Botswana Pula	**276**	195
3 525	**8 313**			**24 599**	12 028

22. Short-term borrowings

		22.1	**Consisting of:**		
298 457	**277 960**		RMB ZAR bridge loan – refer note 22.2	**17 164**	13 403
			RMB £convertible bridge loan – refer note 22.3	**40 208**	—
			Ms CH Wiese and Sandrock loans – unsecured – refer note 22.4	**2 712**	2 000
			Loans from related party	**—**	1 062
			Short term portion of long-term loans – refer note 17.4	**14 893**	12 975
			Loan from Atterbury Mauritius Ltd – refer note 22.5	**2 950**	—
			Loans from AIH International Ltd and Genesis Property One (Pty) Ltd – refer note 22.6	**5 333**	—
			Loan from Investec Ltd – refer note 22.7	**2 367**	—
			Demashuwa Property Developers (Pty) Limited – refer note 22.8	**2 505**	—
			Loans from Collins South Africa sellers – refer note 29.5.1	**6 891**	—
			Other – secured and unsecured	**1 032**	79
298 457	**277 960**			**96 055**	29 519

		22.2	**RMB ZAR loan – secured**		
—	**298 457**		Balance at beginning of the year	**13 403**	—
372 528	**—**		Drawn during the year	**—**	16 730
12 923	**28 687**		Interest	**1 513**	634
(86 994)	**(49 184)**		Repaid during the year	**(3 037)**	(3 907)
—	**—**		Foreign currency translation differences	**5 285**	(53)
298 457	**277 960**		Balance at end of the year	**17 164**	13 403

Carries interest at FirstRand Bank 3 month Jibar + 0.85% and repayable on 30 April 2017. The loan is secured by various investment properties.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

	GROUP 2017 £'000	2016 £'000
22. Short-term borrowings (continued)		
22.3 RMB £convertible bridge loan		
Balance at beginning of the year	**—**	—
Drawn during the year	**40 000**	—
Interest	**668**	—
Repaid during the year	**(459)**	—
Balance at end of the year	**40 208**	—

£25m carries interest at 3 month Libor + 3%, £15 m carries interest at 1 month Libor + 3%, repayable on 31 March 2017 and secured by a guarantee from various entities in the Titan group of companies.

	GROUP 2017 £'000	2016 £'000
22.4 Ms CH Wiese, K Collins and Sandrock (Pty) Ltd loans – unsecured		
Balance at beginning of the year	**2 000**	—
Drawn during the year	**1 800**	2 000
Interest	**134**	38
Repaid during the year	**(1 222)**	(38)
Balance at end of the year	**2 712**	2 000

Carries interest at a margin of 4% over 3 month Libor. Loan with C Wiese repayable on demand (2016: 24 September 2016). Loan with Sandrock repayable on 20 July 2018 or on demand. The loans are unsecured. Refer note 35

	GROUP 2017 £'000	2016 £'000
22.5 Atterbury Mauritius Ltd loan – unsecured		
Balance at beginning of the year	**—**	—
Acquired through business combination	**2 929**	—
Drawn during the year	**—**	—
Interest	**21**	—
Repaid during the year	**—**	—
Balance at end of the year	**2 950**	—

The loan comprises minority shareholders capital on the acquisition of an interest in the BAT property.
The loan is unsecured, bears interest at 7.7568% and is repayable on demand.

	GROUP 2017 £'000	2016 £'000
22.6 AIH International Ltd and Genesis Property One (Pty) Ltd loans – unsecured		
Balance at beginning of the year	**—**	—
Acquired through business combination	**5 299**	—
Drawn during the year	**—**	—
Interest	**32**	—
Repaid during the year	**—**	—
Foreign currency translation differences	**2**	—
Balance at end of the year	**5 333**	—

The loan comprises minority shareholders capital on the acquisition of an interest in the Pemba Mozambique property. The loans are unsecured, bear interest at 8.5% and are repayable on demand.

		GROUP	
		2017	2016
		£'000	£'000
22.7	**Investec Ltd – secured**		
	Balance at beginning of the year	**—**	—
	Acquired through business combination	**2 007**	—
	Interest	**191**	—
	Repaid during the year	**—**	—
	Foreign currency translation differences	**169**	—
	Balance at end of the year	**2 367**	—

Carries interest at the South African prime rate less 0.5 % and is repayable on 30 September 2017.
The loan is secured by investment property disposed of to a third party but not yet transferred.

22.8	**Demashuwa Property Developers (Pty) Limited (50% partner in Steps JV)**		
	Balance at beginning of the year	**(2 733)**	—
	Acquired through business combination	**—**	(2 733)
	Drawn during the year	**5 238**	—
	Interest	**—**	—
	Repaid during the year	**—**	—
	Foreign currency translation differences	**—**	—
	Balance at end of the year	**2 505**	(2 733)

Demashuwa Property Developers (Pty) Ltd is the 50% joint venture partner in Steps JV.
The loan with Demashuwa Property Developers (Pty) Ltd bears interest at 10.75% p.a., is unsecured and has no terms of repayment.

23. Revenue

Interest received from clients	**5 679**	5 455
Fee and commission revenue	**2 565**	1 944
Loan initiation fees	**776**	719
Rental income	**23 722**	12 741
Business Centre revenues	**15 436**	4 743
Property management	**523**	—
Revenue from hotel operations	**2 853**	3 049
	51 554	28 651

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 69 years (2016: 1 year to 70 years).

Future minimum lease payments receivable under non-cancellable operating leases are as follows:

Not later than one year	**62 396**	17 925
Later than 1 year not later than 5 years	**162 001**	30 267
Later than 5 years	**320 286**	70 784
	544 683	118 976

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY 2016 R'000	COMPANY **2017 R'000**			GROUP **2017 £'000**	GROUP 2016 £'000
		24.	**Other operating income**		
			Profit on sale of property, plant and equipment		
			Foreign exchange profits – refer note 25.1	**711**	215
			Management fees received from associates	**358**	173
			Settlement in relation to legal matter	**—**	220
			Distribution received on financial assets (DV4)	**230**	—
			Sundry income	**395**	214
				1 694	822
		25.	**Operating profit/(loss)**		
		25.1	**Determined after taking into account the following:**		
1 091	**2 695**		Employee benefits expenses	**7 255**	4 708
1 091	**2 695**		Salaries, wages and service benefits	**7 206**	4 506
			Retirement benefit contributions	**49**	202
			Net foreign exchange profits	**459**	(215)
6	**34**		Foreign exchange rate losses – realised	**1 170**	64
8 360	**—**		Foreign exchange rate losses – unrealised	**—**	—
—	**(12 633)**		Foreign exchange rate profits – unrealised	**(711)**	(228)
			Foreign exchange rate profits – realised		(51)
966	**1 250**		Auditors' remuneration	**347**	182
966	**1 250**		Audit fees – for this year	**347**	182
			– over provided in the previous year	**—**	—
6 710	**5 894**		Fees paid for outside services	**961**	731
6 432	**5 766**		Administrative	**954**	717
160			Accounting fees	**—**	8
118	**127**		Secretarial	**7**	6
138	**140**		Operating leases – buildings	**4 806**	593
			Profit on disposal of investment properties	**(1 573)**	(239)
			Loss/(profit) on disposal and scrapping of property, plant and equipment	**52**	(19)
867	**2 181**		Travel and office costs	**684**	681
			Advertising cost	**253**	319
			Repairs and maintenance	**387**	181
			Business centre operating costs	**5 880**	2 663
			Unrecovered rates	**374**	518
			Bad debts	**403**	440
292	**10 621**		Professional and letting fees	**1 545**	730
—	**716**		Legal and professional fees	**1 810**	995
			Unrecovered property costs	**889**	1 071
			Unrecovered service charge	**880**	977
			Hotel operating costs	**1 176**	1 124

			GROUP	
			2017	2016
			£'000	£'000
25.2	**Directors' remuneration**			
25.2.1	Non-executive directors		**395**	277
	Executive directors		**959**	859
			1 286	1 136

	Management company fees £'000	Fees £'000	**2017 Total £'000**	2016 Total £'000
25.2.2 Non-executive directors				
KR Collins	67	—	**67**	—
MJ Roberts	—	6	**6**	3
HRW Troskie	—	14	**14**	11
CH Wiese	158	43	**201**	177
JM Wragge	107	—	**107**	86
	332	63	**395**	277

	Basic remuneration £'000	Variable remuneration £'000	**2017 Total £'000**	2016 Total £'000
25.2.3 Executive directors				
FH Esterhuyse	121	61	**182**	130
DA Harrop	144	35	**179**	187
KL Nordier	200	38	**238**	198
TA Vaughan	285	75	**360**	344
	750	209	**959**	859

25.2.4 Executive directors Basic remuneration for 2017 comprises the following:

	Salary £'000	**Pension scheme contributions £'000**	**Other £'000**	**Total £'000**
FH Esterhuyse	**103**	**10**	**8**	**121**
DA Harrop	**131**	**7**	**6**	**144**
KL Nordier	**192**	**5**	**3**	**200**
TA Vaughan	**262**	**14**	**9**	**285**
	688	**36**	**26**	**750**

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

25. Operating profit/(loss) (continued)

25.2 Directors' remuneration (continued)

25.2.5 Executive directors Variable remuneration for 2017 comprises the following:

	Bonuses and performance related payments £'000	Total £'000
FH Esterhuyse	**61**	**61**
DA Harrop	**35**	**35**
KL Nordier	**38**	**38**
TA Vaughan	**75**	**75**
	209	**209**

25.2.6 Share options granted to directors

The former share option scheme trust was dissolved during the year.

A new employee share option scheme, the Tradehold Limited Employee Share Trust, was adopted during the 2016 year. In terms of this scheme, 263 681 share options of ZAR22.18 per share were awarded to DA Harrop on 23 March 2016, exercisable in three equal tranches on 5 November 2019, 5 November 2020 and 5 November 2021 respectively. Refer note 36.2

25.2.7 Management company fees are paid to Chaircorp (Pty) Ltd and Gritprop Investments (Pty) Ltd in their capacity as employees – refer note 35

26. Finance income and cost

COMPANY 2016 R'000	COMPANY 2017 R'000		GROUP 2017 £'000	GROUP 2016 £'000
14 512	**29 353**	Finance cost on short-term borrowings	**2 493**	847
—	**—**	Finance cost on long-term borrowings	**9 942**	3 197
—	**—**	Interest paid to related parties	**490**	128
44 332	**48 770**	Preference dividends	**2 681**	2 174
2 245	**361**	Other finance cost	**483**	339
61 089	**78 484**	Total finance cost	**16 089**	6 684
(6 454)	**(697)**	Interest income on short-term bank deposits	**(115)**	(361)
(44 332)	**(48 770)**	Interest received from group companies	**—**	—
—	**—**	Interest received from joint ventures	**(982)**	(865)
—	**—**	Interest received from associates	**(1 374)**	(281)
(2 411)	**—**	Other finance income	**(1 453)**	(2 093)
(53 197)	**(49 467)**	Total finance income	**(3 924)**	(3 600)
7 892	**29 017**	Finance cost – net	**12 165**	3 084

The balance is shown net of capitalised long term borrowings costs of £1.165 million (2016: £504k) which have been capitalised to investment property.

COMPANY				GROUP	
2016	**2017**			**2017**	2016
R'000	**R'000**			**£'000**	£'000
		27.	**Taxation**		
		27.1	**Classification:**		
			South African normal taxation	**239**	33
			Foreign taxation	**4 205**	605
				4 444	638
		27.2	**Consisting of:**		
			Current taxation	**1 874**	872
			Prior year taxation	**(19)**	(91)
			Deferred taxation – refer note 9.3	**2 589**	(143)
			Current year	**2 835**	(146)
			Prior year	**(246)**	3
				4 444	638
%	**%**				%
		27.3	**Reconciliation of tax rate:**		
28	**28**		South African normal tax rate	**28.0**	28.0
(28)	**(28)**		Net adjustment	**(19.8)**	(23.8)
(28)	**(28)**		Exempt income/non-deductible expenses	**(16.8)**	(9.1)
			Utilisation of tax losses not previously recognised	**—**	(2.2)
			Tax rate adjustment foreign tax differential	**(2.9)**	(12.3)
			Prior year taxation	**(0.1)**	(0.2)
—	**—**		Effective tax rate	**8.2**	4.2

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

		GROUP 2017 £'000	2016 £'000
28.	**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.		
28.1	Profit attributable to ordinary equity holders	**44 303**	14 280
28.1.1	Weighted average number of ordinary shares in issue ('000)	**199 921**	186 818
	The weighted average number of ordinary shares in issue in the current year has been adjusted to take into account the following: the 1 189 730 shares issued on 10 June 2016 in respect of the settlement of the deferred consideration for the Mettle acquisition in the 2015 financial year, and the 10 516 197 and 47 165 682 ordinary shares which were issued on 29 December 2016 and 20 February 2017 respectively, as well as the buy-back and subsequent re-issue of 7 433 346 and 7 414 761 shares respectively, in terms of the Collins SA property acquisition. The 57 663 294 shares issued in respect of the Collins acquisition were included in the weighted average number of ordinary shares from the effective date of the acquisition, being 22 December 2016. The weighted average effect of the shares issued during the year is 47 253 016.		
	Basic earnings per share (pence)	**22.2**	7.6
28.1.2	Diluted number of ordinary shares ('000)	**200 185**	188 124
	The diluted number of ordinary shares in the current year has been adjusted to take into account the following:		
	Weighted average number of ordinary shares in issue ('000)	**199 921**	186 818
	Share options granted to D Harrop under employee share option scheme allocation – refer note 25.2.6	**264**	—
	Contingently issuable shares in respect of Mettle acquisition	**—**	1 306
		200 185	188 124
	Diluted earnings per share (pence)	**22.1**	7.6

	GROUP			
		2017		2016
		£'000		£'000

28.2 Headline earnings:

Basic headline earnings per share (pence)		**3.3**		5.2
Diluted headline earnings per share (pence)		**3.2**		5.1

	Gross	**Net**	Gross	Net
Based on headline profit of		**6 498**		9 630
Profit attributable to equity holders of the company		**44 303**		14 280
Less: net gain from fair value adjustment on investment property	**(26 956)**	**(19 516)**	(4 613)	(4 380)
Less: gains on disposal of investment properties		**(1 573)**		(239)
Less: gains on business combination		**(16 481)**		—
Less: gains on disposal of investments		**(287)**	(24)	(13)
Impairment of goodwill		**—**		—
Plus: loss on disposal of property, plant and equipment		**52**		(19)
and the weighted average number of ordinary shares in issue of ('000)		**199 921**		186 818
and the diluted number of ordinary shares ('000)		**200 185**		188 124

28.3 Core headline earnings:

Basic core headline earnings per share (pence)		**13.8**		6.5
Diluted core headline earnings per share (pence)		**13.8**		6.4

	Gross	**Net**	Gross	Net
Based on core headline profit of		**27 587**		12 108
Headline profit		**6 498**		9 629
Net gain from fair value adjustment on investment property	**26 956**	**19 516**	4 613	4 380
Profit on disposal of investment properties		**1 573**		239
Legal fee income		**—**		(220)
(Profit)/loss on disposal / fair value adjustment of UBS shares		**—**		(1 920)
and the weighted average number of ordinary shares in issue of ('000)		**199 921**		186 818
and the diluted number of ordinary shares ('000)		**200 185**		188 124

Management believe that core headline earnings is a better measure of the entity's underlying profitability and financial performance.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

COMPANY				GROUP	
2016 R'000	**2017 R'000**			**2017 £'000**	2016 £'000
		29.	**Cash flow information**		
		29.1	**Non-cash items**		
			Depreciation and amortisation	**2 034**	608
			Profit on disposal of investment properties	**(1 573)**	(239)
			Loss/(profit) on disposal of property, plant and equipment	**52**	(19)
			Net gain on fair value adjustment on investment properties	**(26 956)**	(4 613)
			Fair value loss on financial assets at fair value through profit or loss	**419**	237
			Gain on business combination	**(16 481)**	—
			Provision for employee share option liability	**38**	—
			Impairment of loans	**404**	440
665	**—**		Other non-cash items	**—**	3
			Profit on disposal of investments / financial assets	**(287)**	(1 947)
665	**—**			**(42 350)**	(5 530)
		29.2	**Changes in working capital**		
—	**—**		Trade and other receivables	**(3 378)**	1 182
755	**4 788**		Trade and other payables	**8 808**	(5 319)
755	**4 788**			**5 430**	(4 138)
		29.3	**Taxation paid**		
			Taxation per profit or loss	**(7 343)**	(638)
			Business combinations	**—**	(365)
			Foreign currency translation movements	**—**	(44)
			Increase in taxation payable	**2**	899
			Change in deferred taxation	**5 488**	(143)
				(1 853)	(291)
		29.4	**Proceeds from ordinary share issues**		
559 509	**1 329 651**		Ordinary share issues during the year	**82 104**	25 127
(43 808)	**(38 000)**		Shares issued in settlement of deferred consideration for acquisition of Mettle	**(2 346)**	(1 968)
(515 701)	**(1 291 651)**		Shares issued in consideration for acquisition of Collins Group SA property portfolio	**(79 758)**	(23 159)
	—			**—**	—
		29.5	**Business combinations**		
			Net cash inflow on acquisition of other subsidiaries	**—**	11
			Net cash inflow on acquisition of Atterbury Mauritius	**2 276**	—
			Cash inflow on acquisition of Collins group South African property portfolio	**(1 518)**	2 962
			Net cash outflow on acquisition of Ventia	**—**	(12 872)
				758	(9 899)

29.5.1 Collins group South African property portfolio

On 22 December 2016 the group acquired 100% of the equity and voting interest in Imbali Props 21 (Pty) Ltd and Saddle Path Props 69 (Pty) Ltd, holding a portfolio of commercial property assets located in Kwa-Zulu Natal, Eastern Cape, Western Cape and Gauteng in South Africa, as well as 100% of the equity and voting interest in the property management company, Collins Property Projects (Pty) Ltd. The purchase consideration was discharged by the issue of 57.7 million new ordinary shares in the company at an issue price of ZAR28.73 (£1.50) each, and £3.5 million in cash.

As a result of the acquisition, the group has expanded its property interest in to South Africa, and has gained access to the resources and property expertise of the Collins group in South Africa, to assist with the growth and development of the group's Southern African property portfolio.

	GROUP	
	2017	2016
	£'000	£'000
The following table summarises the provisional purchase price allocation for the acquisition, and the amounts of the assets acquired and liabilities assumed recognised at the acquisition date.		
Total consideration	**78 209**	—
Issuance of ordinary shares	**74 741**	—
Cash paid	**3 468**	—
Recognised amounts of identifiable assets acquired and liabilities assumed at fair value:		
Total assets	**493 188**	—
Investment property	**480 683**	—
Property plant and equipment	**4 552**	—
Loans receivable from group companies	**3**	—
Investment in associates	**893**	—
Stock	**12**	—
Cash and cash equivalents	**2 502**	—
Trade and other receivables	**4 516**	—
Deferred tax	**11**	—
Tax receivables	**16**	—
Total liabilities	**(398 498)**	—
Non-controlling interest	**(8 849)**	—
Preference shares issued	**(9 446)**	—
Borrowings	**(340 589)**	—
Loans payable to sellers	**(6 344)**	—
Loans payable to group companies	**(87)**	—
Deferred tax	**(29 554)**	—
Tax creditor	**(1 281)**	—
Trade and other payables	**(2 348)**	—
Total identifiable net assets	**94 690**	—
Provisional gain on business combination	**(16 481)**	—
Total consideration paid	**78 209**	—
Consideration paid in cash	**(3 468)**	—
Acquisition costs charged to equity	**(552)**	—
Cash acquired	**2 502**	—
Net cash flow on acquisition	**(1 518)**	—

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

29. Cash flow information (continued)

29.1 Non-cash items (continued)

29.5.1 Collins group South African property portfolio (continued)

The gain on business combination arises due to the decrease in the company share price from the agreed consideration share price of ZAR28.73 to the closing date share price of ZAR22.40.

Aquisition related costs of £552 430 were charged to equity as transaction costs on the issue of shares.

Aquisition related costs of £115 977 were charged to administrative expenses in the consolidated income statement of the group for the year ending 28 February 2017.

Since the acquisition date of the above business combination, revenue of £6 873 593 and a net profit of £777 273 have been included in the income statement relating to Collins SA.

Had the revenue and net results of Collins SA been included from 1 March 2016, group revenue and net profit contributed by Collins SA would have amounted to £33 405 233 and £25 466 842 respectively.

29.5.2 Atterbury Mauritius Ltd

On 26 January 2017 the group acquired 75% of the voting and equity interest in Atterbury Matola Mauritius Ltd (owning a warehouse in Mozambique tenanted by British American Tobacco plc) and Atterbury Pemba Properties Ltd (developing a retail centre in Pemba, Mozambique).

As a result of the acquisition, the group has expanded its property interest in Mozambique which are tenanted by large listed tenants and exposed to US dollar rental.

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

	GROUP	
	2017	2016
	£'000	£'000
Total consideration	**—**	—
Recognised amounts of identifiable assets acquired and liabilities assumed at provisional fair value:		
Total assets	**19 294**	—
Investment property	**16 298**	—
Non-controlling interest	**254**	—
Cash and cash equivalents	**2 276**	—
Trade and other receivables	**425**	
Tax receivables	**41**	—
Total liabilities	**(20 057)**	—
Borrowings	**(17 360)**	—
Trade and other payables	**(2 697)**	—
Total identifiable net assets	**(763)**	—
Provisional goodwill	**763**	—
Total consideration paid	**—**	—
Cash acquired	**2 276**	—
Net cash flow on acquisition	**2 276**	—

29.5.3 Ventia Ltd

On 2 December 2015 The Boutique Workplace Company Ltd acquired 100% of the equity and voting interest in Ventia Ltd, a serviced office business. The acquisition has significantly increased the group's serviced office presence in London and complements the group's existing serviced office business.

The fair value exercise is now complete and the following table summarises the revised fair value purchase price allocation for the acquisition. The comparatives have been restated in order to account for this.

	GROUP	
	2017	2016
	£'000	£'000
Total consideration	—	13 827
Cash paid	—	13 827
	—	
Recognised amounts of identifiable assets acquired and liabilities assumed at provisional fair value:		
Total assets	—	10 849
Property plant and equipment	—	2 058
Intangible assets	—	1 518
Cash and cash equivalents	—	955
Trade and other receivables	—	6 318
Total liabilities		(5 090)
Deferred revenue	—	(3 406)
Tax creditor	—	(617)
Trade and other payables	—	(1 067)
Total identifiable net assets		5 759
Goodwill		8 068
Total consideration paid	—	13 827
Cash acquired	—	955
Net cash flow on acquisition	—	(12 872)

30. Capital commitments

Capital commitments contracted but not provided for at year-end are:

South Africa - £7.2 million and £463 000 relating to phase 1 of the Mzuri development by Imbali Props 21 (Pty) Ltd and the purchase of land by Ifana Investments (Pty) Ltd respectively.

Namibia - £17.2 million relating to the developments of Oasis Mall, Dunes Lifestyle and Steps.

Mozambique - £8 million principally relating to retail property development, to be funded by long term borrowings from Standard Bank (South Africa).

31. Operating lease commitments

The group leases retail outlets and offices under non-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	**8 181**	3 910
Later than one year and not later than 5 years	**29 315**	17 909
To be incurred after 5 years	**43 488**	34 158
	80 984	55 977
Total future sublease income receivable	**118 661**	80 864

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

32. Contingent liabilities

City of Johannesburg

There is a dispute with the City of Johannesburg over a municipal bill. The potential claim is £515 604 .

33. Borrowing powers

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

34. Financial risk management

34.1 Financial risk factors

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

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

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

34.2 Market risk – Foreign currency exchange risk

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

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

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

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

34.2.1 Sensitivity analysis

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

If ZAR would depreciate 5% against the Pound Sterling, profit for the year would be decreased by £0.081 (2016: profit for the year would be decreased by £0.087 million).

If the Zambian Kwacha would depreciate 5% against the US Dollar, profit for the year would be decreased by 0.050 (2016: £0.044 million).

If the Botswana Pula would depreciate 5% against the USD Dollar, profit for the year would be decreased by £0.011 (2016: £0.009 million).

34.2.2 Exchange rates

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

	2017 Average rate	2017 Closing rate	2016 Average rate	2016 Closing rate
SA Rand	**R18.96145**	R16.1946	R20.40	R22,27
Swiss Franc	**SFr1.304515**	SFr1.2509	SFr1.47	SFr1.39
United States Dollar	**$1.323955**	$1.2430	$1.51	$1.39
Euro	**€1,201425**	€1,1733	€1,37	€1,27
Namibian Dollar	**N$18.96145**	N$16.1946	N$20.40	N$22.27
Botswana Pula	**BWP14.259165**	BWP12.9004	BWP15.7663	BWP15.8414
Zambian Kwacha	**ZMW13.39454**	ZMW11.7875	ZMW14.2001	ZMW15.8353
Mozambique New Metical	**MZN87.292325**	MZN88.1806	MZN61.7083	MZN67.5515

34.2.3 Uncovered foreign assets and liabilities

The group had the following uncovered foreign assets and liabilities:

	2017 Foreign currency	2017 Pound equivalent	2016 Foreign currency	2016 Pound equivalent
SA Rand liabilities	**277 960 222**	17 163 760	298 457 041	13 403 198
Kwatcha liabilities	**263 292**	22 351	7 837 688	494 950
Kwatcha assets	**99 250 693**	8 425 286	110 570 996	6 982 564
Pula liabilities	**5 336 493**	424 875	4 825 260	304 598
Pula assets	**68 874 797**	5 483 600	59 223 772	3 738 544

34.3 Market risk – Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. During 2017 and 2016, the group's borrowings at variable rate were denominated in the Rand (2016 and 2017), United States Dollar (2016 and 2017), UK pound (2016 and 2017) and Namibian Dollar (2016 and 2017).

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

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

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

For the current year a 100 basis point increase in interest rates across the year would have resulted in a decrease in the net profit of the group of £4 967 (2016: £1 045 decrease in net profit), whilst a 100 basis point reduction in interest rates would have resulted in an increase in the net profit of the group of £4 967 (2016: £1 045 reduction in net profit).

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

34. Financial risk management (continued)

34.4 Market risk – Price risk

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

A 5% increase in the value of investments would increase the group's net profit by £0.30 (2016: £0.32 million increase in net profit), whilst a 5% decrease in the value of investments would reduce the net profit by £0.30 (2016: £0.32 million reduction in net profit).

34.5 Credit risk

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

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

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

The letting operations are concentrated mainly throughout the United Kingdom, with the relevant properties all held in Pound Sterling. Since 2016, the group also has letting operations in Mozambique, Zambia, Botswana and Namibia. Commencing in the current year, the group now also has significant letting operations in South Africa.

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

34.5.1 Trade and other receivables

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

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

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

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

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

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

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

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

34.5.2 Cash and cash equivalents

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

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

2016 R'million	**2017 R'million**	Bank rating (as per Fitch Ratings)	**2017 £'000**	2016 £'000
—	**—**	F1 +	**21 869**	8 495
—	**—**	F2	**—**	—
138.8	**0.4**	F3	**9 062**	13 458
138.8	**0.4**	Total	**30 931**	21 953

The maximum amount of credit risk that the group is exposed to is £140.4 million (2016: £93.4 million) and has been calculated as follows:

2016 R'million	**2017 R'million**		**2017 £million**	2016 £million
		Trade and other receivables	**67.5**	48.4
—	**—**	Loans receivable	**1.8**	4.5
3 098	**4 449**	Loans to subsidiaries	**—**	—
—	**—**	Loans to associates	**12**	5.1
—	**—**	Loans to joint ventures	**20**	13.5
139	**0.4**	Cash and cash equivalents	**30.9**	22.0

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

34. Financial risk management (continued)

34.6 Liquidity risk

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

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

COMPANY			GROUP			
Less than 1 year R'million	Between 1 and 5 years R'million	At 28 February 2017	Less than 1 month £million	Between 1 and 3 months £million	Between 3 and 12 months £million	Between 1 and 5 years £million
8.3	**—**	Trade and other payables	**6.2**	**0.4**	**—**	**2.4**
908.8	**—**	Interest-bearing liabilities	**44**	**18**	**94**	**449**
—	**—**	Bank overdrafts	**0.6**	**—**	**—**	**—**
		At 29 February 2016				
3.5	—	Trade and other payables	3.9	6.4	3	0.3
298.5	629.9	Interest-bearing liabilities	15	1	14	98
—	—	Bank overdrafts	—	—	—	—

34.7 Fair value of financial instruments

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

28 February 2017 Assets (£'million)	Carrying value	Net (losses)/ gains	Total interest income	Total interest expense	Impairment
Financial asset at fair value through profit or loss	**5.9**	**(0.4)**	**—**	**—**	**0.4**
Derivatives	**2.7**	**10.5**	**—**	**—**	**—**
Loans to joint venture	**20.0**	**—**	**1**	**—**	**—**
Loans to associates	**12.0**	**—**	**1**	**—**	**—**
Loans and trade receivables	**49.5**	**—**	**1.5**	**—**	**1.1**
Other receivables	**19.8**	**—**	**—**	**—**	**—**
Cash and cash equivalents	**30.9**	**—**	**—**	**—**	**—**
Liabilities (£'million)					
Long-term borrowings	**489.1**	**—**	**—**	**9.9**	**—**
Derivatives	**0.5**	**—**	**—**	**—**	**0.2**
Preference shares	**39.0**	**—**	**—**	**2.6**	**—**
Deferred revenue	**7.6**	**—**	**—**	**—**	**—**
Contingent consideration	**0.1**	**—**	**—**	**—**	**—**
Short-term borrowings	**81.2**	**—**	**—**	**2.5**	**—**
Bank overdrafts	**0.6**	**—**	**—**	**—**	**—**
Trade and other payables	**24.6**	**—**	**—**	**—**	**—**

29 February 2016 **Assets (£'million)**	Carrying value	Net (losses)/gains	Total interest income	Total interest expense	Impairment
Financial asset at fair value through profit or loss	6.3	(0.2)	—	—	0.2
Loans to joint venture	13.5	—	1	—	—
Loans to associates	5.1	—	0.3	—	—
Loans receivable	41.9	—	2.1	—	0.9
Trade and other receivables	10.9	—	—	—	—
Cash and cash equivalents	22.0	—	—	—	—
Liabilities (£'million)					
Long-term borrowings	82.9	—	—	4.2	—
Derivatives	8.6	—	—	—	0.0
Preference shares	28.3	—	—	2.2	—
Deferred revenue	5.8	—	—	—	—
Contingent consideration	1.8	—	0.3	—	6.3
Short-term borrowings	17	—	—	0.8	—
Trade and other payables	12.0	—	—	—	—

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

All financial instruments are classified as loans receivable/payable at amortised cost, except listed investments, which are classified as financial assets at fair value through profit or loss and the derivatives, which are partly carried at fair value through profit and loss held for trading and partly as fair value through profit and loss designated as a hedge – refer note 18.

34.8 Capital risk management

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

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

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.

	GROUP	
	2017 **£'000**	2016 £'000
The LTV ratios at 28 February 2017 and at 29 February 2016 were as follows:		
Total borrowings (including preference shares)	**607 049**	136 310
Less: Short-term borrowings secured by cash deposits	**(530)**	(5 725)
Net debt	**606 519**	130 585
Investment property and owner-occupied properties	**806 660**	201 579
LTV ratio	**75%**	65%

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

34. Financial risk management (continued)

34.9 Fair value estimation

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

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

The following table presents the group's financial assets and liabilities that are measured at fair value at 28 February 2017:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss			
Securities	—	—	5 924
Trading derivatives			
Cross currency swap	—	2 656	—
Non-financial assets at fair value through profit or loss			
Investment properties	—	—	806 660
Total assets	—	2 656	812 584
Liabilities			
Financial liabilities at fair value through profit and loss			
Contingent consideration	—	—	105
Derivatives used for hedging			
Interest rate contracts	—	532	—
Financial liabilities at amortised cost			
Preference shares	38 951	—	—
Borrowings	—	—	570 222
Total liabilities	38 951	532	570 327

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

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

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

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

The fair value of investment properties is based on rental yield valuations at the year-end.

Should UK property yields increase by 1%, the valuations would be lower by approximately £25.79 million.
Should UK property yields decrease by 1%, the valuations would be higher by approximately £36.64 million.

Should Namibia property yields increase by 1%, the valuations would be lower by approximately £4.67 million.
Should Namibia property yields decrease by 1%, the valuations would be higher by approximately £5.97 million.

Should Africa (excluding Namibia and South Africa) property yields increase by 1%, the valuations would be lower by approximately £14.35 million.
Should Africa (excluding Namibia and South Africa) property yields decrease by 1%, the valuations would be higher by approximately £22.98 million.
Should South Africa property yields increase by 1%, the valuations would be lower by approximately £68.32 million.
Should South Africa property yields decrease by 1%, the valuations would be higher by approximately £93.12million.

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.

	GROUP	
	2017	2016
	£'000	£'000
There were no transfers between the levels 1 and 2 and 3 during the year.		
Reconciliation of recurring level 3 fair value financial instruments:		
Investment Properties - refer note 2		
Securities – refer note 10.1.2		
Contingent consideration:		
Balance at beginning of the year	**1 797**	2 086
Settled through the issue of ordinary shares	**(2 004)**	—
Unwinding of interest	**18**	110
Foreign currency translation	**294**	(399)
Balance at end of the year	**105**	1 797

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

35. Related parties

Related party relationships exist between the company, its subsidiaries and the directors of the company. See page 114 for details of major shareholders and directors' interest and page 104 for its subsidiaries.

Non-executive director, CH Wiese, is a director and indirect beneficial shareholder of Titan Share Dealers (Pty) Ltd, Granadino Investments (Pty) Ltd and Titan Global Investments (Pty) Ltd. He is also an employee of Chaircorp (Pty) Ltd, a management company that renders advisory services to Tradehold Limited in return for an annual fee. The amounts paid of £158 000 (2016: £137 000) to Chaircorp (Pty) Ltd for advisory services to Tradehold Ltd are disclosed in note 25.2.2

Non-executive director, KR Collins, is a director and indirect beneficial shareholder of Redbill Holdings (Pty) Limite. Redbill Holdings (Pty) Limited renders advisory services to Collins Property Projects (Pty) Ltd in return for an annual fee. The amounts paid of £67 000 (2016: £nil) for advisory services to Collins Property Projects (Pty) Ltd are disclosed in note 25.2.2.

Ms CH Wiese is a beneficiary of The CH Wiese Family Trust, which Trust holds the shares of the Titan group of companies. During 2016 Reward entered into a finance agreement with Ms CH Wiese, in terms of which Reward borrowed an amount of £2 000 000. Interest of £89 845 (2016: £38 128) accrued to Ms C H Wiese on this loan during the year. The loan is disclosed in note 22.4

Related party loans include a loan of £3.1 million (2016: £1.8 million) from Africol Property Investments (Pty) Limited, being sellers or affiliated to the sellers of the Namibia properties acquired in terms of the Collins group property acquisition in 2016. The loan is disclosed in note 17.2.14

Related party loans receivable /(payable) include the following loans to companies whose directors or shareholders also serve on the board of Nguni Property Fund Ltd:
Loan to Sand City Investments Fifty Six (Pty) Ltd £1 405 (2016: £650)
Loan to Safland Investment Holdings (Pty) Ltd £29 078 (2016: £21 148)
Loan to Frontier Property Trust £123 (2016: £90)
The loans receivable are disclosed in note 8.5

Related party loans payable include a loan of £2 504 633 (2016: £2 733 486 receivable) from Demashuwa Property Developers (Pty) Ltd, the 50% partner in Steps JV owned by the associate company Sand City 34 (Pty) Ltd.

The loan payable is disclosed in note 22.8.

Management fees of £63 262 (2016: £92 023) were paid to Safland International Property Services (Pty) Ltd during the year.

Property management fees of £137 295 (2016: £122 570) were paid to Nguni Property Services (Pty) Ltd during the year.

All joint venture arrangements and joint operations and loans receivable from / payable to joint ventures are disclosed in note 6

All associates and loans receivable from / payable to associates are disclosed in note 7

All intergroup transactions have been eliminated in the annual financial statements and there are no other material transactions with related parties, except as set out in note 5

Non-executive director, JM Wragge, is an employee and shareholder of Gritprop Investments (Pty) Ltd, a company that renders asset management services to the group. The amounts paid of £107 000 (2016: £85 565) to Gritprop Investments (Pty) Ltd for asset management services to the group are disclosed in note 25.2.2

	GROUP 2017 £'000	2016 £'000
Details of the directors shareholding are disclosed elsewhere in the annual financial statements.		
Details of directors remuneration is disclosed in note 25.2		
The executives of all operating companies are seen as key management personnel.		
The compensation of key management consist of:		
Salaries and short-term/termination benefits	**959**	859
Key management compensation was paid to:		
Executive directors	**959**	859

36. Share based payments

36.1 At 28 February 2017 the trustees of the Tradehold Share Incentive Trust had nil (2016: nil) shares and share options under their control. The Tradehold Share Incentive Trust is dormant and in the process of being dissolved.

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

The following options were granted in terms of the ESOP during the year (2016: nil):

On 23 March 2016 (the Grant Date), an award of 263 681 share options of ZAR22.18 per share were accepted by DA Harrop, exercisable in three equal tranches on 5 November 2019, 5 November 2020 and 5 November 2021 respectively.

	2017 £'000
The fair value of the options granted was estimated on the Grant Date using the following assumptions:	
Dividend yield (%)	**—**
Expected volatility (%)	**19.30**
Risk-free interest rate (%)	**9.32**
Expected life of share options (years)	**—**
Weighted average share price (ZAR)	**29.25**

The weighted average fair value of the options granted during the year was £181 838

For the year ended 28 February 2017, Tradehold has recognised a share-based payment expense in the statement of changes in equity of £37 551 (2016: £0).

At 28 February 2017, there are 7 542 963 shares available for utilisation under the ESOP.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

37. Events after the reporting period

37.1 Disposal of certain investment properties in South Africa have been agreed to with independent third parties but certain sale conditions at reporting date, have not been fully met. As such the properties are shown as part of investment property until such time as the conditions pass. The decisions to sell the assets were taken after year end and therefore the requirements of IFRS 5 were not met.

37.2 The development on the investment property held by an associate, Ifana Investments (Pty) Ltd is expected to commence after reporting date.

37.3 A new development, by Imbali Props 21 (Pty) Ltd, was agreed to before reporting date, known as Mzuri. No development costs have been incurred at reporting date with the anticipated date of development commencing being within the first quarter of the next financial year end.

38. Segment information

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

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

The operating segments have been determined based on the reports reviewed by the executive board of directors in making strategic decisions.
The executive board of directors monitor the business based on the following operating segments:
Property – United Kingdom
Property – Namibia
Property – Africa excluding Namibia and South Africa
Property – South Africa
Short-term lending – United Kingdom
Short-term lending – South Africa
Other

The operating segments have been amended since the previous annual report in line with the recent changes in the operating segments and geography of the group.

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

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

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

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2017 is as follows:

£'000	Property				Short-term lending			
	United Kingdom	Namibia	Africa excluding Namibia and South Africa	South Africa	United Kingdom	South Africa	Other	Group total
Total segment revenue (external customers)	28 841	3 518	3 301	6 874	7 482	1 538	—	51 554
Operating profit / (loss)	22 544	9 006	8 412	24 167	5 425	610	(2 072)	66 101
Included in operating profit:								
Depreciation, impairment and amortisation	1 784	16	20	167	28	12	7	2 034
Fair value adjustment to investment property	15 357	5 782	7 129	—	—	—	(1 312)	26 956
Profit on disposal of investment properties	1 571	—	—	2	—	—	—	1 573
Impairment of goodwill	—	—	—	—	—	—	—	—
Not included in operating profit:								
Finance income	985	1 030	28	32	9	440	1 400	3 924
Finance cost	2 411	2 888	710	25 554	134	141	(15 749)	16 089
Income tax expense	327	256	2 903	(24)	719	263	—	7 343
Total assets	246 465	55 511	83 800	455 391	43 076	12 820	101 214	998 277
Total assets include additions to the following non-current assets:								
Additions to property, plant and equipment	2 557	196	104	4 578	32	28	1	7 496
Additions to investment properties	44 139	125	26 502	480 683	—	—	—	554 289
Additions to goodwill	25	—	763	—	—	—	—	788
Additions to joint ventures	—	—	—	—	—	455	—	455
Additions to associates	—	—	—	—	—	—	—	—
Total liabilities	222 894	41 445	82 053	421 742	37 783	6 285	(122 675)	689 527

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2017

38. Segment information (continued)

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

£'000	Property				Short-term lending			
	United Kingdom	Namibia	Africa excluding Namibia and South Africa	South Africa	United Kingdom	South Africa	Other	Group total
Total segment revenue (external customers)	16 331	3 269	1 055	—	6 558	1 438	—	28 651
Operating profit / (loss)	9 051	4 266	1 053	—	4 678	385	(1 645)	17 787
Included in operating profit:								
Depreciation, impairment and amortisation	549	—	24	—	22	5	8	608
Fair value adjustment to investment property	4 375	2 072	238	—	—	—	(2 072)	4 613
Profit on disposal of investment properties	239	—	—	—	—	—	—	239
Impairment of goodwill								—
Not included in operating profit:								
Finance income	4	4	11	—	4	294	3 283	3 600
Finance cost	1 929	1 431	41	—	40	215	3 028	6 684
Income tax expense	(710)	470	72	—	618	33	155	638
Total assets	188 461	30 329	39 155		33 729	11 276	16 108	319 058
Total assets include additions to the following non-current assets:								
Additions to property, plant and equipment	3 174	2	33	—	43	2	—	3 254
Additions to investment properties	22 871	32 130	26 398	—	—	—	—	81 399
Additions to goodwill	9 494	—	(1 083)	—	—	26	1 511	9 948
Additions to joint ventures	6	—	—	—				6
Additions to associates	—	—	—	—	—	—	—	—
Total liabilities	190 533	26 015	42 188		30 676	7 167	(137 735)	158 844

Interest in subsidiaries

Tradehold Limited and its subsidiaries at 28 February 2017

SUBSIDIARIES	Issued Share Capital	Percentage shares held by group 2017 %	2016 %
Tradegro Holdings (Pty) Ltd	ZAR7 877 752	**100**	100
Tradegro S.àr.l	£108 217 462	**100**	100
Tradegro (UK) Ltd	£2	**100**	100
Moorgarth Holdings (Luxembourg) S.àr.l	£12 500	**100**	95
Moorgarth Group Ltd	£100	**100**	100
Tauri Holdings S.àr.l	£12 500	**75**	75
Inception Holdings S.àr.l	£12 500	**100**	100
Moorgarth Properties (Luxembourg) S.à r.l	£4 859 850	**100**	100
Clumber Park Hotel LLP	£60 000	**100**	100
St Catherines Perth (I) S.àr.l	£12 499	**100**	100
London Office S.àr.l	£3 599 150	**100**	100
Nordic Lime Street S.àr.l	£11 000	**100**	100
Inception Living S.àr.l	£12 500	**100**	100
Ventia Ltd	£1 050	**100**	100
Queen Street Business Centre Ltd	£1	**100**	100
Golden Square Business Centre Ltd	£1	**100**	100
St John Street Busines Centre Ltd	£1	**100**	100
Thomas Street Business Centre Ltd	£100	**100**	100
Soho Square Business Centres Ltd	£100	**100**	100
Margaret Street Business Centre Ltd	£100	**100**	100
John Street Business Centre Ltd	£100	**100**	100
Queen Street (City) Business Centre Ltd	£100	**100**	100
Farringdon Street Business Centre Ltd	£100	**100**	100
Neal Street Business Centre Ltd	£100	**100**	100
Savoy Street Business Centre Ltd	£100	**100**	100
Bedford Square Business Centre Ltd	£100	**100**	100
Christopher Street Business Centre Ltd	£100	**100**	100
Whitefriars Street Business Centre Ltd	£100	**100**	100
Southampton Place Business Centre Ltd	£100	**100**	100
Wimbledon Business Centre Ltd	£100	**100**	100
Moorgarth Asset Management Ltd	£1	**100**	100
Wandle Point Ltd	£100	**100**	100
Apex Properties Ltd	£1 197 152	**100**	100
Revival Holdings Ltd	£199	**100**	100
The Boutique Workplace Company Ltd	£1	**100**	100
Cairnduff Developments Rutherglen Ltd	£10 575 771	**100**	100
St Catherines Perth (2) S.àr.l	£1	**100**	100
River Street Properties Investments Ltd	£1	**100**	100
Moorgarth Property Management Ltd	£1	**100**	100
Moorgarth Site Services Ltd	£1	**100**	—
Moorgarth Properties Ltd	£1	**100**	100
River Street Properties Ltd	£3 822 662	**100**	100
Moorgarth Leisure Ltd	£1	**100**	100
Moorgarth Property Investments Ltd	£1	**100**	100
Moorgarth Retail Ltd	£1	**100**	—
Moorgarth Living Ltd	£1	**100**	—
Reward Investments (No2) Ltd	£100	**100**	100
Reward Finance Group Ltd (formerly Reward Investments Ltd)	£10	**70**	70
Reward Capital Ltd	£1	**70**	70
Reward Invoice Finance Ltd	£1	**70**	70
Reward Trade Finance Ltd	£1	**70**	70

Interest in subsidiaries (continued)

Tradehold Limited and its subsidiaries at 28 February 2017

SUBSIDIARIES (continued)	Issued Share Capital	Percentage shares held by group 2017 %	2016 %
Tradehold Africa Ltd	USD 100	**100**	100
Cognis 1, Limitada	MZN 1.5 million	**60**	60
TC Mozambique Properties Ltd	USD 100	**75**	100
TC Maputo Properties Ltd	USD 100	**71**	71
Tradehold Solar Ltd	USD 100	**55**	100
Tete Hollow Limitada	MZN 50 000	**100**	100
Tradehold Mozambique Limitada	MZN 50 000	**75**	100
Danbury Properties Ltd	USD 100	**100**	100
Falcata Ltd	USD 100	**100**	100
Eaglewing Ltd	USD 100	**100**	100
First Properties (Pty) Ltd	ZMW 500 000	**100**	100
Hospitality Properties (Pty) Ltd	ZMW 2 000	**100**	100
Collwana Properties (Pty) Ltd	BWP 100	**100**	100
Shaduff Investments (Pty) Ltd	BWP 100	**100**	100
Chaeshire Properties (Pty) Litd	BWP 100	**100**	100
Lethlakane Lot 1602 (Pty) Ltd	BWP 101	**100**	100
Tete Hollow Mauritius Ltd	USD 100	**100**	—
TC Tete Properties Ltd	USD 100	**75**	—
Tradehold API Ltd	USD 200	**75**	—
Atterbury Matola Mauritius Ltd	USD 100	**75**	—
Atterbury Pemba Properties Ltd	USD 12	**75**	—
Atterbury Pemba Mauritius Ltd	USD 2	**67**	—
Pemba Investment Company Lda	MZN 110 000	**68**	—
Atterbury Matola Lda	MZN 20 000	**75**	—
Imbali Props 21 (Pty) Ltd	ZAR73 882 558	**100**	—
Saddle Path Props 69 (Pty) Ltd	ZAR10 066 286	**100**	—
Collins Property Projects (Pty) Ltd	ZAR200	**100**	—
Dimopoint (Pty) Ltd	ZAR380 026 138	**70**	—
Applemint 24 (Pty) Ltd	ZAR100	**69**	—
Mettle Investments Pty Ltd	ZAR963	**100**	100
Mettle Specialised Finance (Pty) Ltd	ZAR4 101 000	**100**	100
Mettle Administrative Services (Pty) Ltd	ZAR300	**100**	100
Mettle Vehicle Finance (Pty) Ltd	ZAR100	**100**	100
Mettle Corporate Finance (Pty) Ltd	ZAR120	**100**	100
Nguni Property Fund Ltd (formerly Safcoll Property Holdings (Pty) Ltd)	NAM $ 100	**100**	100
Nguni Property Developments (Pty) Ltd	NAM $ 100	**100**	—
Sebastian Properties (Pty) Ltd	NAM $ 100	**100**	100

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

Non-controlling interest for the year ended 28 February	2017 £	2016 £
Tauri Holdings S.àr.l	**2 231 265**	(486 278)
Moorgarth Holdings (Luxembourg) S.àr.l	**—**	263 334
Reward Finance Group Ltd	**828 090**	535 518
Cognis 1, Limitada	**1 949 161**	(265 346)
Other Tradehold Africa group subsidiaries	**(660 593)**	—
Dimopoint (Pty) Ltd	**8 965 909**	—
Applemint 24 (Pty) Ltd	**382 168**	—
	13 696 000	47 228

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

	Tauri Holdings S.àr.l		Reward Finance Group Ltd		Cognis 1, Limitada		Dimopoint (Pty) Ltd		Applemint 24 (Pty) Ltd	
	2017	2016	**2017**	2016	**2017**	2016	**2017**	2016	**2017**	2016
	£'000	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000	**£'000**	£'000
Current										
Assets	**7 343**	4 294	**43 990**	34 492	**2 066**	1 386	**6 578**	—	**1 042**	—
Liabilities	**(7 029)**	(2 741)	**(41 273)**	(32 745)	**(9 109)**	(75)	**(231)**	—	**(336)**	—
Total current net assets	**314**	1 553	**2 717**	1 747	**(7 043)**	1 311	**6 347**	—	**706**	—
Non-current										
Assets	**68 525**	41 530	**43**	38	**42 026**	37 269	**94 496**	—	**7 320**	—
Liabilities	**(59 915)**	(45 028)			**(24 354)**	(33 008)	**(66 220)**	—	**(6 194)**	—
Total non-current net assets	**8 610**	(3 498)	**43**	38	**17 672**	4 261	**28 276**	—	**1 126**	—
Net assets	**8 924**	(1 945)	**2 760**	1 785	**10 629**	5 572	**34 623**		**1 832**	

Summarised income statement

	Tauri Holdings S.àr.l 2017	Tauri 2016	Reward 2017	Reward 2016	Cognis 2017	Cognis 2016	Dimopoint 2017	Dimopoint 2016	Applemint 2017	Applemint 2016
Revenue	**4 268**	3 386	**7 482**	6 558	**2 020**	18	**10 408**	—	**1 205**	—
Profit/(loss) before taxation	**10 432**	(1 439)	**1 694**	3 018	**7 642**	18	**13 677**	—	**1 096**	—
Taxation	**258**	263	**(719)**	(630)	**(2 778)**	—	**(3 294)**	—	**(310)**	—
Total comprehensive income/(loss)	**10 690**	(1 176)	**975**	2 388	**4 864**	18	**10 383**	—	**786**	—
Total comprehensive income/(loss) allocated to non-controlling interests	**2 672**	(294)	**841**	703	**1 945**	(138)	**3 229**	—	**244**	—
Distributions paid to non-controlling partners	**—**	—	**(548)**	(564)	**—**	—	**—**	—	**—**	—

Summarised cash flows

	Tauri Holdings S.àr.l 2017	Tauri 2016	Reward 2017	Reward 2016	Cognis 2017	Cognis 2016	Dimopoint 2017	Dimopoint 2016	Applemint 2017	Applemint 2016
Net cash (used in)/generated from operating activities	**2 464**	(641)	**3 180**	2 697	**(641)**	—	**(81)**	—	**46**	—
Net cash used in investing activities	**(15 043)**	(12 339)	**(9 073)**	(11 973)	**(6 034)**	(23 557)	**—**	—	**—**	—
Net cash generated from financing activities	**12 428**	10 881	**6 298**	9 956	**6 506**	18 240	**—**	—	**—**	—
Net decrease in cash and cash equivalents	**(151)**	(2 099)	**405**	680	**(169)**	(5 317)	**(81)**	—	**46**	—
Cash and cash equivalents at beginning of the year / date of business combination	**842**	2 941	**2 521**	1 841	**148**	5 465	**708**	—	**30**	—
Effect of changes in exchange rate					**438**	—	**—**	—	**—**	—
Cash and cash equivalents at end of the year	**691**	842	**2 926**	2 521	**417**	148	**627**	—	**76**	—

The amounts shown above are before inter-company eliminations.

Property portfolio analysis

At 28 February 2017

1. Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom				Industrial: total	1 495 994	82.45%	21.82	5.91%	29.14%	0.62%
J4 Technology Park, Skelmersdale	Feb-07	2 862	1 600	Industrial	3 995		54.56			
Bath Road, Felling	Oct-03	672	700	Industrial	3 796		29.48			
Mozambique										
Angola Avenue Number 2289, Maputo, Mozambique	Jan-17	9 389	9 597	Industrial	12 006		6.49			
South Africa										
8th Avenue Industrial Estate, Western Cape	Dec-16	451	516	Industrial	1 410		30.93			
Alumina Allee – Richards Bay, Kwa-Zulu Natal	Dec-16	377	460	Industrial	2 062		18.16			
Baltex Road 3, Kwa-Zulu Natal	Dec-16	16 805	20 365	Industrial	35 193		42.05			
Benbow Avenue, Western Cape	Dec-16	1 360	1 433	Industrial	3 982		26.46			
Bougainvillia Road 19, Kwa-Zulu Natal	Dec-16	404	773	Industrial	7 170		10.62			
Bougainvillia Road 21, Kwa-Zulu Natal	Dec-16	1 424	1 096	Industrial	23 698		6.13			
Cherry Road 2, Kwa-Zulu Natal	Dec-16	2 611	3 064	Industrial	8 466		33.41			
Circuit Road 22-28, Kwa-Zulu Natal	Dec-16	1 537	1 605	Industrial	4 970		23.74			
Circuit Road 32, Kwa-Zulu Natal	Dec-16	1 005	1 017	Industrial	2 781		26.93			
Cnr Cresecent & Bamboesvlei Road – Ottery CT, Western Cape	Dec-16	809	978	Industrial	3 385		24.06			
Cnr Molecule & Uranium Road (Land) – Brakpan, Gauteng	Dec-16	38	52	Industrial	13 017		0			
Cnr Molecule & Uranium Roads – Brakpan, Gauteng	Dec-16	2 834	3 435	Industrial	18 551		13.82			
Cnr Nobel & Price Streets, Gauteng	Dec-16	2 363	3 368	Industrial	14 348		17.09			
Cnr Wimbledon & School Roads – Wimbledon CT, Western Cape	Dec-16	2 324	2 834	Industrial	12 430		18.91			
Crewe Road 5, Kwa-Zulu Natal	Dec-16	8 746	9 133	Industrial	25 724		26.02			
Culvert Road – De Aar, Northern Cape	Dec-16	304	375	Industrial	4 408		8.28			
Dal Josafat, Western Cape	Dec-16	7 203	7 518	Industrial	32 462		16.98			
Diesel Road 160, Gauteng	Dec-16	6 848	7 148	Industrial	23 279		22.51			
Dodds Street 1, Gauteng	Dec-16	9 564	9 979	Industrial	43 556		16.79			
Drakensberg Drive 5, Gauteng	Dec-16	1 197	1 443	Industrial	3 179		45.40			
du Plessis Road 5, Gauteng	Dec-16	17 059	17 846	Industrial	69 452		18.83			
Edison Place 05, Kwa-Zulu Natal	Dec-16	329	394	Industrial	1 631		23.92			
Edmund Morewood Road 12, Kwa-Zulu Natal	Dec-16	1 168	1 111	Industrial	6 984		14.53			
Effingham Road 747 – Redhill Durban North, Kwa-Zulu Natal	Dec-16	959	1 166	Industrial	3 606		26.15			
Elgin Road – Pomona, Gauteng	Dec-16	5 275	6 363	Industrial	11 094		43.72			
Elmfield Place 07, Kwa-Zulu Natal	Dec-16	1 258	1 540	Industrial	4 100		30.95			
Emmanuel Road, Gauteng	Dec-16	6 825	7 137	Industrial	20 192		25.91			
Fibres Road 300, Kwa-Zulu Natal	Dec-16	32 125	37 407	Industrial	69 866		36.62			
Geleirgang Road 14, Kwa-Zulu Natal	Dec-16	877	1 086	Industrial	17 110		5.25			
Gillitts Road 68 – Pinetown, Kwa-Zulu Natal	Dec-16	1 222	1 485	Industrial	7 841		15.34			
Gillitts Road 72, Kwa-Zulu Natal	Dec-16	2 109	2 313	Industrial	9 200		24.81			
Goodenough Avenue, Western Cape	Dec-16	9 918	10 393	Industrial	38 035		20.02			
Goodenough Avenue 10 – Epping WC, Western Cape	Dec-16	1 234	1 503	Industrial	6 922		16.60			
Goodwood Road 62, Kwa-Zulu Natal	Dec-16	1 167	1 494	Industrial	6 364		18.16			
Gosforth Park – Massmart, Gauteng	Dec-16	39 909	47 100	Industrial	70 273		46.22			
Gosforth Park – Sasol, Gauteng	Dec-16	7 617	9 435	Industrial	18 907		34.38			
Greigcol, Kwa-Zulu Natal	Dec-16	248	283	Industrial	1 053		26.65			
Halifax Road 49, Kwa-Zulu Natal	Dec-16	5 609	6 769	Industrial	15 904		39.57			
Immelman Road – Wadeville, Gauteng	Dec-16	941	1 152	Industrial	5 376		18.75			
Joist Street – Isando, Gauteng	Dec-16	4 090	4 956	Industrial	6 046		62.59			
Joyner Road 23, Kwa-Zulu Natal	Dec-16	2 098	2 388	Industrial	7 407		30.13			
Joyner Road 31, Kwa-Zulu Natal	Dec-16	1 229	1 512	Industrial	2 799		44.56			
Joyner Road 6 – Isipingo, Kwa-Zulu Natal	Dec-16	2 632	3 226	Industrial	9 767		26.45			

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
Jurie Street 10 & 12 – Alrode Alberton, Gauteng	Dec-16	1 833	2 239	Industrial	13 012		13.45			
Kitshoff Road – Rosslyn Gauteng, Gauteng	Dec-16	1 029	1 253	Industrial	7 054		13.68			
Kubu Ave 52, Kwa-Zulu Natal	Dec-16	1 650	2 052	Industrial	4 203		47.84			
Laing Street 78 – George, Western Cape	Dec-16	221	270	Industrial	1 518		15.68			
Lily Van Niekerk Road – Boksburg East, Gauteng	Dec-16	1 187	1 444	Industrial	6 687		15.85			
Lincoln Road – Benoni South, Gauteng	Dec-16	2 042	2 487	Industrial	13 702		13.96			
Main Reef Road 138, Gauteng	Dec-16	782	923	Industrial	8 384		13.97			
Malone Road 19 – Pinetown, Kwa-Zulu Natal	Dec-16	1 942	2 357	Industrial	7 145		26.52			
Marthunisen Road (Erf 1530) – Roodekop, Gauteng	Dec-16	2 372	2 898	Industrial	15 526		14.67			
Marthunisen Road (Erf 3343) – Roodekop, Gauteng	Dec-16	4 116	5 012	Industrial	18 757		20.55			
Marthunisen Road (Erf3380) – Roodekop, Gauteng	Dec-16	10 754	13 088	Industrial	68 498		15.72			
Merlin Drive 2 – Parkhaven Boksburg, Gauteng	Dec-16	4 635	5 617	Industrial	5 992		69.97			
Mill Street 15 – Bloemfontein, Other	Dec-16	186	231	Industrial	2 547		8.37			
Morewood Road 20-34, Kwa-Zulu Natal	Dec-16	10 030	11 344	Industrial	57 154		20.72			
Ndlovu Park (Unilever), Kwa-Zulu Natal	Dec-16	22 078	24 285	Industrial	59 071		28.88			
Nicholson Road 6, Kwa-Zulu Natal	Dec-16	1 419	1 489	Industrial	6 234		17.55			
Nobel Boulevard, Gauteng	Dec-16	10 356	10 885	Industrial	84 406		9.45			
Potgieter Street – Alrode Alberton, Gauteng	Dec-16	5 937	7 251	Industrial	33 787		17.44			
Power Street – Germiston, Gauteng	Dec-16	1 996	2 432	Industrial	12 598		15.42			
Prospecton Road 23, Kwa-Zulu Natal	Dec-16	3 102	3 611	Industrial	8 420		38.00			
Pullinger Road 14/15 – Westonaria, Gauteng	Dec-16	426	517	Industrial	2 296		17.25			
Riana Road 6 – Rocky Drift White River, Other	Dec-16	168	210	Industrial	1 614		12.29			
Richard Carte Road 25, Kwa-Zulu Natal	Dec-16	11 958	12 495	Industrial	33 845		27.05			
Roan Crescent, Gauteng	Dec-16	2 778	3 404	Industrial	8 596		34.17			
Samrand Avenue West – Rossway Midrand, Gauteng	Dec-16	3 232	3 921	Industrial	15 544		18.94			
Setchel Road 05, Gauteng	Dec-16	2 033	2 374	Industrial	38 426		5.34			
Setchell Road – Roodekop, Gauteng	Dec-16	8 716	10 667	Industrial	51 680		16.42			
Shepstone & Henwood Road, Kwa-Zulu Natal	Dec-16	2 962	3 493	Industrial	11 767		27.03			
Spanner Road 41, Gauteng	Dec-16	6 085	6 388	Industrial	25 085		18.67			
Spartan Cresent, Gauteng	Dec-16	1 114	1 307	Industrial	3 428		36.18			
Steele Street 18 – Steeledale Alberton, Gauteng	Dec-16	1 314	1 598	Industrial	7 877		16.53			
Tannery Road 1, Default Area Code	Dec-16	712	803	Industrial	7 160		8.05			
Timmerman Street – Kimberely, Other	Dec-16	85	106	Industrial	2 290		4.03			
Tom Muller Drive 2 – Meyerton, Gauteng	Dec-16	1 357	1 648	Industrial	9 138		13.62			
Uitenhage Road – Struandale PE, Eastern Cape	Dec-16	4 898	5 988	Industrial	30 193		15.09			
Van der Bijl Road 30 – Westonaria, Gauteng	Dec-16	1 209	1 474	Industrial	13 020		9.06			
Walter Hall Road 4 (GKN), Kwa-Zulu Natal	Dec-16	1 432	1 738	Industrial	12 713		10.96			
Walter Reid Road 09, Kwa-Zulu Natal	Dec-16	6 453	8 069	Industrial	57 046		17.54			
Walter Reid Road 13, Kwa-Zulu Natal	Dec-16	2 529	2 673	Industrial	10 159		23.25			
Wiganthorpe Road 17, Kwa-Zulu Natal	Dec-16	209	229	Industrial	1 100		21.50			
Wiganthorpe Road 27, Kwa-Zulu Natal	Dec-16	426	496	Industrial	1 548		32.56			
Woodlands Drive 12, Kwa-Zulu Natal	Dec-16	498	586	Industrial	2 977		25.49			
United Kingdom				Leisure: total	16 816	0.93%	69.74	1.51%	2.4.38%%	23.22%
Cookridge Street, Leeds				Leisure	617		133.80			
Bolton – Ikon		247	259	Leisure	2 490		0			
Market Place, Bolton				Leisure	6 771		115.93			
25 Lime St, London				Leisure	133		300.04			
Zambia										
Plot 9, Cairo Road, Lusaka, Zambia	Mar-15	2 134	2 208	Leisure	6 805		38.99			

Property portfolio analysis (continued)

At 28 February 2017

1. Property schedule (continued)

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom				Offices: total	68 798	3.79%	56.53	4.46%	7.04%	14.22%
Wilmingtone Grove, Leeds	May-06	3 470	1 150	Offices	5 853		1.84			
Cookridge Street, Leeds	Sep-06	2 752	2 051	Offices	585		110.49			
Grays Inn, London	Jun-14	6 628	7 500	Offices	643		0			
Tagwright House				Offices	619		161.16			
25 Lime St, London	Dec-14	6 424	7 520	Offices	841		287.08			
24 Lime St, London	Apr-14	5 758	8 000	Offices	619		374.60			
Rutherglen				Offices	152		0.00			
Park Place, Leeds	Apr-15	786	1 116	Offices	541		44.19			
Central House, Leeds	Dec-14	1 603	2 919	Offices	942		104.20			
Wigmore Street, London	Apr-14	5 360	7 000	Offices	418		0.00			
Westbourne Centre, Barrhead	Oct-05	4 050	2 000	Offices	1 901		26.80			
Carter Lane, London	Feb-17	11 661	11 661	Offices	1 301		12.96			
Namibia										
Mutual Platz	Mar-15	14 480		Offices	7 762		0			
South Africa										
Alice Street, Eastern Cape	Dec-16	532	596	Offices	863		65.81			
Berg Street 169, Kwa-Zulu Natal	Dec-16	1 155	1 378	Offices	1 878		55.49			
Burger Street 217, Kwa-Zulu Natal	Dec-16	893	1 073	Offices	1 399		63.63			
Bush Shrike VCC 6, Kwa-Zulu Natal	Dec-16	1 171	1 428	Offices	1 000		102.29			
Grahamstown – Rautenbach Rd, Eastern Cape	Dec-16	970	1 273	Offices	1 022		51.76			
Henwood Road 28, Kwa-Zulu Natal	Dec-16	2 438	1 967	Offices	6 072		32.81			
Jabu Ndlovu Street 166, Kwa-Zulu Natal	Dec-16	1 465	1 928	Offices	2 226		73.65			
Jeffares and Green Office Block, Kwa-Zulu Natal	Dec-16	3 316	3 921	Offices	2 587		113.15			
Kings Road 36, Kwa-Zulu Natal	Dec-16	1 708	1 569	Offices	3 960		30.46			
Mondi Park, Kwa-Zulu Natal	Dec-16	2 268	2 779	Offices	1 998		103.04			
Murchison Street 43 (Ladysmith), Kwa-Zulu Natal	Dec-16	423	444	Offices	732		56.96			
Pin Oak Park, Kwa-Zulu Natal	Dec-16	1 335	1 587	Offices	1 774		72.80			
Platinum Drive 1, Gauteng	Dec-16	3 021	3 533	Offices	6 888		32.57			
Prospect Street 2, Eastern Cape	Dec-16	539	575	Offices	533		101.16			
Ridgeside Office Park, Kwa-Zulu Natal	Dec-16	6 509	7 831	Offices	4 024		131.60			
Sarlin, Kwa-Zulu Natal	Dec-16	2 010	2 499	Offices	2 960		102.22			
Strand Rd 14, Western Cape	Dec-16	3 186	2 258	Offices	3 692		52.72			
The Quarry Office Park, Kwa-Zulu Natal	Dec-16	983	1 045	Offices	1 311		88.36			
Unit 5 Quarry Office Park, Kwa-Zulu Natal	Dec-16	257	304	Offices	332		73.52			
Vryheid – 15 Stretch Crescent, Kwa-Zulu Natal	Dec-16	711	795	Offices	1 372		34.43			
United Kingdom				Retail: total	200 431	11.05%	75.88	5.30%	47.15%	4.53%
Ogden Road Industrial Estate, Doncaster	Dec-06	3 465	3 000	Retail	6 187		41.62			
Westbourne Centre, Barrhead				Retail	2 001		83.53			
Bitterne, Southampton	Sep-04	1 756	2 075	Retail	1 563		130.99			
High Street, Bromsgrove	Sep-04	1 272	941	Retail	1 703		37.89			
High Street, Johnstone	Oct-03	335	435	Retail	626		103.82			
High Street, Irvine	Oct-03	300	150	Retail	601		6.21			
24 Lime St, London				Retail	244		454.81			
25 Lime St, London				Retail	17		1 603.14			
Dalrympal Street, Girvan	Oct-03	147	246	Retail	525		50.64			
Grays Inn, London				Retail	29		0			
St Catherine's Perth	Jun-11	12 132	11 000	Retail	6 039		140.70			
Market Place, Bolton	Nov-13	24 860	68 200	Retail	30 038		115.93			
Rutherglen	May-12	7 700	11 927	Retail	9 603		125.09			
Zambia										
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 733	3 122	Retail	3 009		116.63			
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 577	1 918	Retail	1 736		127.09			

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
Botswana				Retail						
Lot 1232, Maun, Botswana	Mar-15	654	736	Retail	816		80.48			
Lot 1602, Letlhakane, Botswana	Mar-15	1 400	1 439	Retail	1 944		67.11			
Lot 273-274, Francistown, Botswana	Mar-15	2 123	1 425	Retail	1 440		114.56			
Letlhakane (Morogo) land right.	Mar-15	8	8	Retail			0			
Mozambique										
Tradehold Mozambique Limitada property	Jun-15	1 458	1 458	Retail			0			
Pemba Investment Company Limitada property	Jan-17	8 584	8 584	Retail			0			
Namibia				Retail						
Rundu Shopping Mall, Rundu	Mar-15	11 271	13 633	Retail	13 773		68.98			
Mega Centre, Windhoek	Mar-15	7 934	10 151	Retail	8 920		75.56			
Mutual Platz, Windhoek	Mar-15	14 480	18 451	Retail	10 732		97.67			
M&Z Ondangwa	Mar-15	660	556	Retail	240		115.79			
South Africa				Retail						
Butterworth, Eastern Cape	Dec-16	501	598	Retail	997		54.70			
Church Street 178, Kwa-Zulu Natal	Dec-16	222	261	Retail	398		62.36			
Church Street 180, Kwa-Zulu Natal	Dec-16	665	733	Retail	887		71.91			
Church Street 182, Kwa-Zulu Natal	Dec-16	262	266	Retail	973		29.27			
Church Street 184, Kwa-Zulu Natal	Dec-16	480	601	Retail	623		80.68			
Church Street 199, Kwa-Zulu Natal	Dec-16	475	564	Retail	1 108		48.74			
Church Street 226, Kwa-Zulu Natal	Dec-16	285	387	Retail	605		60.94			
Church Street 228, Kwa-Zulu Natal	Dec-16	471	599	Retail	773		68.14			
Church Street 239, Kwa-Zulu Natal	Dec-16	935	1 124	Retail	1 200		83.26			
Church Street 240, Kwa-Zulu Natal	Dec-16	690	855	Retail	496		140.25			
Church Street 257 (Compen), Kwa-Zulu Natal	Dec-16	512	695	Retail	801		71.06			
Church Street 374, Kwa-Zulu Natal	Dec-16	1 170	1 371	Retail	2 617		45.85			
Church Street 418, Kwa-Zulu Natal	Dec-16	236	265	Retail	496		56.24			
Church Street 428, Kwa-Zulu Natal	Dec-16	329	395	Retail	678		59.56			
Cradock, Eastern Cape	Dec-16	176	204	Retail	647		33.41			
Eagle Avenue & Iris Road, Kwa-Zulu Natal	Dec-16	1 015	475	Retail	3 026		0			
Eshowe – Osborne Road, Kwa-Zulu Natal	Dec-16	806	923	Retail	1 173		68.25			
Ezulwini Royal Shopping Centre, Kwa-Zulu Natal	Dec-16	1 871	2 229	Retail	4 476		50.52			
Graaff Reinet, Eastern Cape	Dec-16	460	518	Retail	1 856		26.94			
Greyling Street 185, Kwa-Zulu Natal	Dec-16	300	447	Retail	1 316		34.30			
Greyling Street 195, Kwa-Zulu Natal	Dec-16	288	389	Retail	857		0			
Greyling Street 201, Kwa-Zulu Natal	Dec-16	1 159	1 345	Retail	3 033		42.64			
Greyling Street 216, Kwa-Zulu Natal	Dec-16	131	198	Retail	485		41.11			
Howick Ave 5, Gauteng	Dec-16	3 980	4 497	Retail	6 171		58.43			
King William's Town – Cathcart Street 70, Eastern Cape	Dec-16	676	776	Retail	1 511		47.91			
Kokstad, Kwa-Zulu Natal	Dec-16	659	679	Retail	1 797		36.74			
Longmarket Street 282, Kwa-Zulu Natal	Dec-16	887	927	Retail	2 560		40.56			
Mackeurtan Avenue 05-17, Kwa-Zulu Natal	Dec-16	1 758	2 163	Retail	955		191.08			
Mackeurtan Avenue 08-12, Kwa-Zulu Natal	Dec-16	1 488	1 371	Retail	1 555		87.84			
Mackeurtan Avenue 21-23, Kwa-Zulu Natal	Dec-16	841	1 166	Retail	905		100.59			
Mackeurtan Avenue 33, Kwa-Zulu Natal	Dec-16	2 021	2 489	Retail	2 489		75.13			
Main Street – Nongoma, Kwa-Zulu Natal	Dec-16	1 427	1 638	Retail	3 729		35.16			
Matatiele – Boxer Centre, Eastern Cape	Dec-16	4 525	5 175	Retail	6 743		64.27			
Matatiele – Market Square, Eastern Cape	Dec-16	1 971	2 199	Retail	3 165		59.98			
Mpumalanga West, Mpumalanga	Dec-16	1 044	1 214	Retail	2 467		45.05			
Nodwengu Shopping Centre, Kwa-Zulu Natal	Dec-16	2 185	2 881	Retail	3 966		67.34			
Nquthu Shopping Centre, Kwa-Zulu Natal	Dec-16	2 617	2 874	Retail	4 895		52.66			
Roodepoort – Lambert and van Wyk Street, Gauteng	Dec-16	1 299	1 421	Retail	6 222		19.51			
Ulundi – Rhino, Kwa-Zulu Natal	Dec-16	1 822	1 777	Retail	2 772		60.18			
Victoria Road 186 and 188, Kwa-Zulu Natal	Dec-16	669	793	Retail	2 210		36.21			
Victoria Road 241, Kwa-Zulu Natal	Dec-16	3 714	3 615	Retail	10 295		34.48			
West Street 448, Kwa-Zulu Natal	Dec-16	1 915	2 286	Retail	1 485		127.00			
West Street 452, Kwa-Zulu Natal	Dec-16	2 991	2 944	Retail	3 235		80.37			

Property portfolio analysis (continued)

At 28 February 2017

1. Property schedule (continued)

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom				Residential: total	32 431	1.79%	183.62	4.08%	12.29%	5.89%
Tagwright House	Dec-14	13 370	17 500	Residential	1 086		332.32			
119-125 Marygate, Berwick upon Tweed	Oct-03	580	150	Residential	295		33.44			
Avonview Apartments, London	Jul-16	5 134	5 134	Residential	530		230.77			
Mozambique										
Tete Hollow, Tete	Mar-15	2 472	1 423	Residential	5 000		36.59			
Acacia Estate, Maputo, Mozambique	Aug-14	3 800	44 444	Residential	25 000		210.67			
Namibia										
Rundu Flats	Mar-15	178	154	Residential	520		23.71			
			806 660		1 814 470	100%			100%	1.87%

The average annualised rental yield of the above properties amounts to 7.19%

2. Tenant profile

	%
A – Large nationals, large listeds, government and major franchisees	35.3%
B – Nationals, listeds, franchisees, and medium to large professional firms	9.4%
C – Other	55.3%
	100%

3. Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	2.8%	0.7%	1.4%	24.0%
Leisure	0.1%	0.0%	0.0%	5.0%
Offices	1.0%	1.0%	0.4%	4.6%
Retail	4.9%	1.4%	2.8%	37.7%
Residential	2.1%	0.2%	0.0%	9.9%
	10.8%	3.2%	4.7%	81.3%

4. Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	0.4%	3.6%	6.1%	73.1%
Leisure	0.2%	0.0%	0.0%	0.5%
Offices	0.3%	0.7%	0.5%	1.9%
Retail	0.7%	1.0%	1.4%	7.8%
Residential	0.4%	0.0%	0.0%	1.4%
	2.0%	5.3%	8.0%	84.7%

At 29 February 2016

1. Property schedule

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

Property portfolio analysis (continued)

At 29 February 2016

1. Property schedule (continued)

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Rental per square meter (£)	Average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom				Retail: total	102 613	64.78%	96.90	4.75%	65.78%	11.13%
Ogden Road Industrial Estate, Doncaster				Retail	2 835		59.96			
Westbourne Centre, Barrhead				Retail	2 825		92.68			
Bitterne, Southampton	Sep-04	1 756	2 075	Retail	1 563		130.17			
High Street, Bromsgrove	Sep-04	1 272	940	Retail	1 634		49.57			
High Street, Johnstone	Oct-03	335	435	Retail	626		95.91			
Main Street, Baillieston	Oct-03	237	325	Retail	734		72.21			
High Street, Irvine	Oct-03	300	150	Retail	601		45.77			
24 Lime St, London				Retail	244		409.74			
25 Lime St, London				Retail	17		1 603.14			
Dalrympal Street, Girvan	Oct-03	147	245	Retail	525		51.44			
Grays Inn, London				Retail	29		325.70			
St Catherine's Perth	Jun-11	12 132	12 600	Retail	6 039		149.57			
Market Place, Bolton	Nov-13	24 860	41 249	Retail	32 729		128.94			
Rutherglen	May-12	7 700	11 820	Retail	9 603		108.56			
Zambia										
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 297	2 009	Retail	3 009		74.03			
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 325	1 390	Retail	1 736		81.36			
Botswana										
Lot 1232, Maun, Botswana	Mar-15	550	391	Retail	816		56.32			
Lot 1602, Letlhakane, Botswana	Mar-15	1 177	837	Retail	1 944		48.15			
Lot 273-274, Francistown, Botswana	Mar-15	1 784	1 269	Retail	1 440		80.18			
Namibia										
Rundu Shopping Mall, Rundu	Mar-15	8 197	8 983	Retail	13 772		60.00			
MegaCentre, Windhoek	Mar-15	5 771	5 845	Retail	8 920		57.97			
Mutual Platz, Windhoek	Mar-15	10 531	11 636	Retail	10 732		71.49			
M&Z Ondangwa	Mar-15	480	411	Retail	240		111.78			
United Kingdom				Residential: total	6 902	4.36%	83.20	2.07%	4.32%	8.14%
Tagwright House	41 974	13 370	15 600	Residential	1 086		373.40			
119-125 Marygate, Berwick upon Tweed	37 895	580	210	Residential	295		60.92			
Mozambique										
Tete Hollow, Tete	Mar-15	2 077	1 858	Residential	5 000		30.11			
Cognis housing development – Maputo	Dec-14	44 569	26 850	Residential under construction						
Namibia										
Rundu Flats	Mar-15		125	Residential	520		15.73			
			196 879		158 398	100%			100%	10%

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

2. Tenant profile

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

3. Lease expiry profile based on revenue

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

4. Lease expiry profile based on gross lettable area

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

Shareholders' profile

Tradehold Limited and its subsidiaries at 28 February 2017

	Number of holders	Percentage of shareholders	Number of shares held	Percentage holding
Distibution of shareholders				
Non-public shareholders				
Directors	6	0.30	150 808 077	61.03
Public shareholders	1 969	99.70	96 284 849	38.97
Total	1 975	100.00	247 092 926	100.00

	Number of shares held	Percentage holding
Major shareholders		
Granadino Investments (Pty) Ltd	79 480 297	32.2
Titan Global Investments (Pty) Ltd	28 695 605	11.6
Teez Away Trading (Pty) Limited	28 586 285	11.6
Redbill Holdings (Pty) Limited	28 549 017	11.6
H Collins and Son (Pty) Limited	13 381 635	5.4
Titan Share Dealers (Pty) Limited	10 236 344	4.1

Directors' interest

At 28 February 2017 the interest of the directors in the issued shares in the company were as follows:

	Direct beneficial	Indirect non-beneficial	**Total 2017**	Total 2016
KR Collins	367 860	28 549 017	**28 916 877**	—
FH Esterhuyse	71 079	2 657 864	**2 728 943**	2 432 268
DA Harrop	—	—	**—**	—
KL Nordier	187 247	—	**187 247**	127 151
MJ Roberts	—	—	**—**	—
HRW Troskie	—	—	**—**	—
TA Vaughan	532 456	—	**532 456**	532 456
CH Wiese	—	118 412 246	**118 412 246**	117 870 246
JD Wiese	—	30 308	**30 308**	30 308
JM Wragge	—	—	**—**	—
	1 158 642	149 649 435	**150 808 077**	120 992 429

There have been no changes in the interest of the directors between 28 February 2017 and the date of approval of these annual financial statements.

Form of proxy

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

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

For use at the annual general meeting of members to be held at 10:00 on Friday, 11 August 2017 in the boardroom at the head office of Pepkor Limited, 36 Stellenberg Road, Parow Industria 7493.

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

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

of (full address) ....

....

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

1. .... or

2. .... or

3. THE CHAIRMAN OF THE MEETING

as my/our proxy to attend, speak and vote on my/our behalf, as indicated below, at the annual general meeting of shareholders of Tradehold Ltd to be held at 10:00 on Friday, 11 August 2017 and at any adjournment thereof:

Indicate with an X in the appropriate block:

Ordinary resolutions		In favour of	Against	Abstain
Adoption of the annual financial statements	1.			
Re-appointment of PricewaterhouseCoopers Inc	2.			
Re-appointment of Mr MJ Roberts to the Board	3.			
Re-appointment of Mr JD Wiese to the Board	4.			
Re-appointment of Mr KR Collins to the Board	5.			
General authority to directors to issue shares for cash	6.			
General authority to issue shares	7.			
Election of members of audit committee	8.			
Election of members of social and ethics committee	9.			
Election of members of the remuneration committee	10.			
Non-binding advisory vote on the remuneration policy of the company	11.			
General authority of the directors	12.			

Special resolution

Confirmation of the directors' remuneration	1.			
Financial assistance in terms of s. 45	2.			
Financial assistance in terms of s. 44	3.			
General authority to acquire shares in terms of ss. 46 and 48	4.			

Form of proxy (continued)

Signed at .... this .... day of 2017

Signature ....

NOTES:

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

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

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

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

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

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

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

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

9. Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (PO Box 61051, Marshalltown, 2107, South Africa) so as to arrive by no later than 48 hours before the commencement of the AGM. Clause 23.7 of the company's Memorandum of Incorporation grants the Board or the chairman of the General Meeting the right to allow the form of proxy to be effective for purposes of voting at the AGM if the form of proxy is validly executed and received after this time but before the commencement of the General Meeting.

Shareholders' information

Enquiries

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

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

Additional copies of annual financial statements

Additional copies of the report are obtainable from:

South Africa: The Company Secretary, Tradehold Ltd, 3rd Floor, Pepkor, 36 Stellenberg Road, Parow Industria, 7493
telephone number: +27 21 929 4885.

United Kingdom: The Company Secretary, Moorgarth Group Ltd, 47 St.Paul's Street, Leeds, W Yorkshire LS1 2TE
telephone number: +44 113 246 2711.

Europe: Tradehold Ltd, Fourth Floor, Avantech Building, St Julian's Road, San Gwann SGN 2805, Malta
telephone number: +356 214 463 77.

Share transactions totally electronic ("STRATE")

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

Payment of dividend directly into shareholders' bank accounts

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

Design and layout: Fresh Identity

TRADEHOLD LTD

www.tradehold.co.za