TRADEHOLD LTD

Integrated Report 2019

Positioning

The unbundling of its financial services interests in May 2018 has turned Tradehold into a dedicated property business with net assets at year end split between the United Kingdom in pounds sterling (46%), United States dollar assets in Africa (8%), and the balance in South African rand (46%). In South Africa at year end it owned 100% of the Collins Property Group, while in the UK it holds 100% of the Moorgarth Property Group that includes a 90% stake in The Boutique Workplace Company (TBWC), a provider of serviced office accommodation in London, with a number of its sites owned by Moorgarth.

TRADEHOLD

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CH Wiese – *Chairman*

STAKEHOLDER APPROACH

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

OPERATING ENVIRONMENT

Business conditions for Tradehold's operations in South Africa and the UK during the second half of the financial year did not differ materially from those of the first six months. If anything, pressure mounted, given the rising political tensions in South Africa prior to the elections, while in the UK, protracted Brexit negotiations further undermined business confidence.

In South Africa the economy overall grew by a meagre 0.8% in 2018, with recessionary conditions during the first two quarters of the year. Marred by strikes, service delivery protests and ongoing revelations of widespread corruption, business confidence remained at a low ebb. In addition, investment was put largely on hold ahead of the elections.

In the UK, fundamental changes in the global retail market combined with shorter-term confidence issues as a result of Brexit have affected us like all others. Despite all the negative news, retail sales in the UK have in reality increased by 1.2% overall, but those sales have been directed more towards online which now represent 18% of total retail sales in the UK.

To counter the effects on Tradehold's business and ensure continued growth, management:

- Has unbundled its financial services businesses and listed these separately on the JSE's AltX to turn Tradehold into an exclusive and focused property company
- Is withdrawing from the rest of Africa excluding Namibia to enable it to focus all its attention on its two main markets
- As a post year end event Tradehold has entered into a transaction with an independent third party which has substantially strengthened Tradehold's balance sheet and gearing levels in the Group (see above under Key Developments)
- Is disposing of non-core assets, particularly in South Africa, and
- Is progressively reducing its exposure in the UK to mainstream retail through increasing residential, office and leisure exposures.

KEY DEVELOPMENTS

In the year to 28 February 2019 the business experienced major changes. Its financial services interests were unbundled to shareholders and listed separately on the AltX of the Johannesburg Stock Exchange (JSE) as Mettle Investments Limited. Shareholders received shares in the new company equal to the number of shares held in Tradehold.

The unbundling has turned Tradehold into a dedicated property business with net assets at year end split between the United Kingdom in pound sterling (46%), United States dollar assets in Africa (8%), and the balance in South African rand (46%). In South Africa at year end it owned 100% of the Collins Property Group, while in the UK it holds 100% of the Moorgarth Property Group which includes a 90% stake in The Boutique Workplace Company (TBWC), a provider of serviced office accommodation in London, with a number of its sites owned by Moorgarth.

Shortly before year-end, Tradehold was approached by I Group Investments (Pty) Ltd ("I Group") with an offer to invest R833 million in Tradehold's South African property portfolio of mostly industrial assets. The transaction has now been finalised. Among the benefits of the investment are the following:

- I Group has subscribed for a 25.7% shareholding at the tangible net asset value of the South African business.
- Collins Group's gearing levels are immediately reduced by the investment.
- The reduction in gearing levels results in an immediate interest cost saving to the group and also creates an opportunity to restructure remaining debt more efficiently. This in turn will lead to further savings in interest costs and improve cash flows significantly.

The investment will see Collins Group unbundled from Tradehold and listed separately on the JSE as an industrially focused REIT by February 2022. This step should further unlock value for Tradehold shareholders.

FINANCIAL RESULTS

Total assets now amount to £859 million (2018: £1 075 million, or £985 million if financial services are excluded). Revenue was £96.4 million (2018: £101.5 million) while total profit attributable to shareholders stood at £13.2 million (2018: £30.8 million). The decrease is mainly due to the loss in the fair-value adjustment of its investment properties of £17.3 million, reduced by a £8.6m fair value gain on financial assets relating to investment property (i.e. net loss of £8.7m) during the year, compared to a gain of £11.8 million in the corresponding financial year, and financial services net profit of £4 million in the prior financial year, compared to profit from discontinued operations of £0.3 million in the current financial year.

Headline earnings per share was 8 pence, down from 9.2 pence (and up by 0.1 pence from 7.9 pence if financial services are excluded), and tangible net asset value per share (as defined by management) was 123.7 pence / R22.97, compared to 144 pence / R23.43 (or 132 pence / R21.48 if financial services are excluded) in the corresponding year.

The sum-of-the-parts valuation per share (as defined by management) was 126.5 pence / R23.50.

Collins Group

The company owns a portfolio mainly of industrial and commercial buildings in South Africa which together offer some 1.6 million square metres of gross lettable area (GLA). Its major focus remains on quality industrial and distribution centres. These constitute some 91% of total space available for rent. The political uncertainty and concomitant slowdown in the economy have seen many corporates defer investment in new developments. Consequently, there has been little opportunity to grow the size of the industrial portfolio. The focus has been on retaining tenants, which include, inter alia, Sasol, Unilever, MassMart and Pep, keeping vacancies at just 1.95% at the end of the reporting period. Moreover, the weighted average lease expiring profile was 7.2 years.

To strengthen the balance sheet and reduce debt, a decision was taken early in the reporting period to dispose of non-core assets. Of the 37 mainly smaller commercial buildings identified for this purpose, 10 had been sold by year-end for a combined total of R136 million, realising a profit above book value of R24 million. The remaining assets for sale with a combined value of R831 million are currently on the market.

The total Collins portfolio was £464.7 million (R8 634 million) at the reporting date, compared with 28 February 2018 of £535 million (R8 703 million). The value has been adversely affected by the currency deterioration of the South African rand to pound sterling (R18.58 at the reporting date compared to R16.27 at 28 February 2018) and lower property valuations.

Collins Group contributed £11.4 million (2018: £12.7 million) to net profit after minorities. The deterioration is mainly due to the loss in the fair-value adjustment of its investment properties of £11.4 million during the year, reduced by £8.4m fair value gain on financial assets relating to investment properties (i.e. net loss of £3m).

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

> "We are making exciting progress with a number of initiatives in this market while we continue with our new vision for our destination malls in adapting them to changing consumer needs."

Chairman's statement & review of operations
(CONTINUED)

Moorgarth
The properties in Moorgarth's portfolio cover a range of sectors including retail, which represents about 50% by value, commercial (mainly office accommodation), leisure and residential. The focus during the year was on broadening the retail offer away from mainstream retail, increasing the food and beverage presence in its centres and adding leisure.

Management has been responding pro-actively in its four large shopping malls to the far-reaching changes in consumer purchasing patterns increasingly evident in the UK, in line with major markets elsewhere. Asset management initiatives were focused on a community-based model and on establishing a clear connection with the mall's demographic. The objective is to expand the tenant mix by including restaurants, bars, cinemas, gyms, dentists' and doctors' surgeries to establish these centres as one-stop meeting places for the community.

A major breakthrough during the reporting period was the approval given by the Edinburgh City Council for the extensive redevelopment of the crucial rooftop area of Waverley Mall in the heart of the city's historical centre, acquired two years ago. It will allow the company to add 3 000m² mainly leisure area to the existing 8 000m² of the historical mall which adjoins its principal railway station.

A planning application has also been submitted for the development of a hotel, pre-let to a leading UK hotel group, and the development of 493 residential apartments at Broad Street Mall in Reading outside London.

It has also obtained planning approval for the redevelopment of two buildings in Central London that will increase their bulk from 1 900m² to 3 000m². Moorgarth has also partnered with its serviced office business, The Boutique Workplace Company (TBWC), in refurbishing an office building in Carter Lane near St Paul's in London, owned by Moorgarth and now let to TBWC. It has also acquired a building near Euston station which is currently being refurbished and which is also pre-let to TBWC.

Moorgarth's contribution to group net profit was £4.2 million, against £8.7 million in 2018.

During the reporting period the value of Moorgarth's portfolio (excluding work in progress) increased to £256.7 million from £250 million if its interest in joint ventures (not reflected in the balance sheet) is included. The valuation of its Market Place shopping centre in Bolton was reduced by £7.3 million (i.e. 10.5%) due to concerns over the future of its anchor tenant, Debenhams.

Moorgarth's contribution to tangible net asset value per share is 49.6 pence (R9.21).

The Boutique Workplace Company (TBWC)

TBWC is a key component of the Group's strategy in the UK. In the 12 months to end February 2019, TBWC, which specialises in the provision of serviced office space, maintained its momentum in an extremely challenging market, increasing occupancy across its portfolio to 92% at year-end in its 30 sites across Greater London. TBWC now has 4 500 work stations under contract compared to 2 200 in 2015.

The Group's early entry into the flexible-office environment has enabled it to establish a presence ahead of a number of highly aggressive competitors in the market. In terms of its 10-year strategy, it plans to open two to three new sites annually while it is also investigating additional avenues for growth. Initiatives are also under way to expand its flexible-office brand into regional markets, including the UK's major university cities.

TBWC's EBITDA (earnings before interest, tax, amortisation and depreciation) for the financial year was £1.7 million (2018: £1.8 million).

Nguni group (Namibia)

The properties in Namibia consist of just under 60 000m² of gross lettable area, mainly retail space but also commercial accommodation, the latter mainly in the capital, Windhoek, where further development opportunities are under consideration. The second half of the year saw the completion of the first phase of a new mall in Gobabis, a major town strategically located on the Trans-Kalahari Highway. Anchored by the Shoprite Group and fully let, the mall offers about 10 000m² of trading space. The second phase was completed in the first half of the new financial year.

The Namibia portfolio was £40.8 million (R757 million) at the reporting date, compared with 28 February 2018 of £41 million (R667 million). The value has been adversely affected by the currency deterioration of the South African rand to pound sterling (R18.58 at the reporting date compared to R16.27 at 28 February 2018).

Namibia reported a net loss after minorities of £1.1 million (2018: net profit of £2.4 million). The deterioration is mainly due to the loss in the fair-value adjustment of its investment properties of £2.3 million during the year.

The Nguni Group's total contribution to tangible net asset value per share is 9.6 pence (R1.79).

Chairman's statement & review of operations

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Tradehold Africa Group (Mozambique, Botswana and Zambia)

The sale of the Cognis corporate residential development (also known as Acasia) in Maputo was in line with the strategy to dispose of all the properties it owns in Africa outside of South Africa and Namibia. In Zambia, the Group is busy finalising the sale of its three properties there for US$6.5 million while negotiations for the sale of its single asset in Botswana have reached an advanced stage. The reason for the Group's withdrawal from the rest of Africa is primarily the cost of managing a small number of widely spread properties.

The value of this portfolio decreased by £47.7 million to £26.5 million, from £74.2 million at the end of February 2018, mainly due to the disposal of Cognis. The net proceeds have been applied to settle debt. The company contributed £2.4 million to total group profits, enhanced by a once-off gain on the disposal of subsidiary companies relating to the Cognis property of £3.1 million, compared to net profit of £4.3 million for the corresponding prior period.

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

OUTLOOK

Although 2019 is expected to be another tough year for British consumers, with the Bank of England reducing its growth projection from 1.7% to 1.2% for the year, the macro-economic outlook is turning positive, depending on the outcome of the Brexit negotiations. Whatever the outcome, it would at least provide certainty about the challenges that lie ahead for the British economy and provide a basis on which it can again move forward. As reported in this document, we are making exciting progress with a number of initiatives in this market while we continue with our new vision for our destination malls in adapting them to changing consumer needs. Shared work-space is increasingly replacing traditional office accommodation and much of management's attention will devoted to ensuring TBWC remains at the forefront in the strongly growing market.

In South Africa the economy is expected to continue to struggle in an environment of low business confidence deepened by slow structural reform and with the albatross of Eskom around its neck. In such an environment demand for industrial and commercial space is expected to remain restricted. To counter these conditions, we are following a defensive strategy – by reducing debt, strengthening the balance sheet, divesting ourselves of non-core assets

and working to protect income by maintaining vacancies at the present level of 1.95%. We believe we are in a better position than most to weather these conditions as the weighted average lease profile of the portfolio as a whole is 7.2 years, allowing us considerable breathing space. However, this provides management with no reason for complacency as the year ahead will not lack for challenges, with growth under constant threat.

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

We are extremely fortunate that in the enormously demanding business environment that typified the 2019 financial year we could rely on the experience, business savvy, dedication and commitment of our management teams in both Southern Africa and the UK. They have turned challenges into opportunities and shown a remarkable capacity for adapting to and benefiting from shifting trends in the markets in which we operate. To them our wholehearted thanks for leading us through the minefields of the past year.
I also want to thank our independent directors for their support as well as their balanced inputs in all our deliberations. We can go forward with confidence into the new year despite the challenges that await us.

C H Wiese
Chairman

21 May 2019

Corporate governance

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

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

It conducts treasury activity through its wholly-owned finance company, Tradegro S.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. Transactions within the Collins group deal mainly with the letting, acquisition, development, and sale of property assets. At year-end the Collins Group owned and managed commercial properties valued at £464.7 million, and the Moorgarth Group owned and managed commercial properties valued at £256.7 million (if its joint venture interests are included).

Tradehold Limited is committed to upholding good ethical standards and the application of corporate governance principles. During the year, Tradehold reviewed the principles contained in the King IV Report on Governance ("King IV") and assessed their relevance and applicability to the group. In compliance with the regulations of the JSE, a complete list of the King IV principles and the company's compliance therewith appears on the company's website – www.tradehold.co.za

Board and board committees

The board takes overall responsibility for managing the group. The board is responsible for the long-term success of the group, develops strategy, determines the nature and extent of significant risks, and approves major transactions.

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

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

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

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

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

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

The board meets at least twice a year and more often when required. The Directors ensure that they allocate sufficient time to discharge their duties effectively. For details on board meetings and attendance, refer to the table below:

The composition of the board, outlined above and below, reflects the position at the end of February 2019, and the attendance of board and committee meetings is for the financial year.

Composition of the board at 28 February 2019 and attendance of meetings for the financial year.

Board of directors	Qualification	Date of appointment	Age	Executive/ independent non-executive	Meetings attended (out of 3)	Other significant directorships
Dr CH Wiese	BA, LLB, D Com (HC)	29 September 2000	77	Non-executive	2	Chairman of Shoprite Holdings Limited and Invicta Holdings Limited, director of Brait SE and various other companies.
Mr HRW Troskie	B Juris, LLB, LLM	27 April 2006	49	Independent non-executive#	3	Brait SE, Ardagh Group S.A. , Puma Brandenburg Ltd, Pestana International Holdings S.A.
Mr MJ Roberts	BA, SEDP	28 February 2012	72	Independent non-executive	3	
Mr KR Collins		17 February 2017	47	Non-executive	2	Collins Property Group and various other companies.
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	2 May 2018	67	Non-executive	3	Brait SE
Ms KL Nordier	BAcc, BCompt Hons, CA(SA)	27 May 2014	52	Executive	3	Reward Investments (No2) (Pty) Ltd
Mr TA Vaughan	BSc (Hons) MRICS	10 November 2010	53	Executive	3	Managing director of Moorgarth Group.
Mr FH Esterhuyse	BAcc Hons, MCom(Tax), CA(SA)	27 May 2014	49	Executive	3	Mettle Investments Ltd.
Mr DA Harrop	BA Hons, ACA	27 May 2014	49	Executive	3	Financial director of Moorgarth Group and Reward Finance Group Ltd., director of Reward Investments (No2) (Pty) Ltd

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

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

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

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

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

Audit committee report

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

1. Functions of the audit committee

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

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

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

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

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

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

1.6. reviewed the system of internal controls and risk management by review of the risk management and internal control reports presented to it and through discussions held with executive management, to ensure that the group is identifying, considering and mitigating, as far as possible, the risks for the group;

Corporate governance (continued)

1.7. reviewed the King IV Report on Corporate Governance and considered its recommendations and applicability to the group;
1.8. reviewed the tax structure and tax risk of the group;
1.9. considered the JSE's pro-active monitoring report for 2019 and its applicability to the group's reporting;
1.10. requested an auditor suitability pack from PricewaterhouseCoopers Inc , confirmed that the pack was presented in the format and contained all the items prescribed in paragraph 22.15 (h) of the JSE Listing Requirements, verified the suitability of PricewaterhouseCoopers Inc. for the role of external auditor, verified the independence of PricewaterhouseCoopers Inc., and nominated PricewaterhouseCoopers Inc. as the auditors for 2019 and noted the appointment of Mr Jacques de Villiers as the designated auditor;
1.11. approved the audit fees and engagement terms of the external auditors;
1.12. determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors.
1.13. identified the following areas as significant matters in relation to the financial statements, and addressed these as described:

Investment property valuations
Reviewed a schedule of the entire investment property portfolio, compared year end book value to the acquisition price, noted the last date of the professional valuation and ensured that most recent professional valuation date was no earlier than three years before 28 February 2019, noted the identity of the valuer to ensure that it was a property professional, reviewed the list of properties sold and the sale price compared to the book value, reviewed the list of properties revalued, and discussed reasons for revaluations with management and the external auditors.
Reviewed the process of investment property valuations implemented by Collins and Moorgarth management.

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

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

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

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

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

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

2. Members of the audit committee and attendance at meetings

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

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

Audit committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	15 February 2008	49	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	28 February 2012	72	Independent non-Executive	2
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	2 May 2018	67	Independent non-Executive	2

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

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 2019.
The audit committee is satisfied that controls over the accuracy and consistency of the information presented in the Integrated Report are robust and that the Integrated Report presents a fair, balanced and understandable overview of the business of the group, and provides stakeholders with the necessary information to assess the group's position, business model and strategy. It recommends the adoption of the Integrated Report to the Board.

Remuneration committee report

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

1. Functions of the remuneration committee

Its main functions are:

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

2. Members of the remuneration committee and attendance at meetings

Details of meetings held during the year are listed below.

Remuneration committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	25 October 2012	49	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	27 May 2014	72	Independent non-executive	2
Mr KR Collins		23 May 2017	47	Non-executive	2

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

3. Remuneration policy

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

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

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

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

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

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

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

Corporate governance (continued)

4. Implementation report

The remuneration committee has monitored the implementation of the remuneration policy and is of the view that there were no deviations from the remuneration policy in the 2019 financial year.

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

The table below presents an analysis of the remuneration of executive directors received in 2019 compared to 2018, in £'000:

Year ending 28 February 2019	Jurisdiction	Salary	Other benefits	Variable remuneration	Share scheme	Total
FH Esterhuyse	South Africa	127	24	84	17	252
DA Harrop*	United Kingdom	102	12	60	—	174
KL Nordier	Switzerland	200	8	77	10	295
TA Vaughan	United Kingdom	274	9	65	—	348
		703	53	286	27	1 069

* portion allocated to Moorgarth

Year ending 28 February 2018	Jurisdiction	Salary	Other benefits	Variable remuneration	Share scheme	Total
FH Esterhuyse	South Africa	124	22	96	—	242
DA Harrop	United Kingdom	137	13	87	—	237
KL Nordier	Switzerland	199	9	78	—	286
TA Vaughan	United Kingdom	272	23	172	—	467
		732	67	433	—	1 232

The table below presents an analysis of the remuneration of non-executives received in the 2019 financial year (excluding VAT), compared to 2018:

	Currency '000	Year ending 28 February 2019	Year ending 28 February 2018
CH Wiese	Euro	50.0	50.0
HRW Troskie	Euro	30.0	26.9
MJ Roberts	Euro	10.4	5.4
KR Collins	ZAR	1 250	1 250
LL Porter	Euro	16.7	—

Details of the remuneration and participation of directors in share incentive schemes appear on page 100 of this report (note 35).

5. Shareholder engagement and voting

The company will table its remuneration policy and implementation report for two separate non-binding advisory votes by shareholders at the AGM, in line with King IV. In the event that 25% or more of the shareholders vote against these resolutions, the remuneration committee will engage with such dissenting shareholders to ascertain the reasons for the dissenting votes, address all valid and reasonable concerns raised, and disclose the full shareholder engagement process, response and resolutions in the remuneration report of the next financial year.

Social and ethics committee report

1. Functions of the social and ethics committee

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

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

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

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

Social and ethics committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	28 May 2012	49	Independent non-executive	2
Mr. MJ Roberts	BA, SEDP	28 May 2012	72	Independent non-executive	2
Ms KL Nordier	BAcc, BCompt Hons, CA(SA)	22 May 2017	52	Executive	2

3. Statement on social and ethics governance

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

The social and ethics committee is satisfied that the group has adequate policies and procedures in place to prevent and detect non-compliance and unethical behaviour, and that no instances of unethical behaviour were detected during the year under review.

Risk management and internal control

The board is satisfied that the executive directors' intimate involvement in the operations of the group, as well as the robust management structure of its United Kingdom and South African operations is sufficient to provide it with appropriate and relevant information on risk management activities performed, risks identified and action plans in place to mitigate material risks as well as on internal control measures in place.

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

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

The board applies the following principal elements of internal control:

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

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

Integrity and ethics

Tradehold Limited at all times endeavours to maintain the highest standard of integrity in dealing with its clients, staff, 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 component is responsible for ethical behaviour within his organisation, and provides reports to the audit committee and social and ethics committee on the policies and procedures in place to monitor integrity and ethics. The board is of the opinion that a high level of standards was being maintained by the group and it is not aware of any instances of unethical behaviour during the year ended 28 February 2019.

Gender and race diversity

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

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

Notice to shareholders

Tradehold Limited and its subsidiaries

Notice is hereby given that the annual general meeting ("AGM") of the shareholders (each a "Shareholder") of Tradehold will be held in the boardroom, located on the 3rd floor of the Pepkor Building at 36 Stellenberg Road, Parow Industria, at 10am on Thursday, 15 August 2019.

The purpose of the AGM is to consider and pass the ordinary and special resolutions set out in this notice (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, 17 May 2019; 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 Thursday, 8 August 2019.

Accordingly, the last day to trade in the company's shares to be recorded in the share register in order to exercise voting rights at the AGM is Monday, 5 August 2019.

Please note that in terms of section 63(1) of the Act all participants (including proxies) at the AGM will be required to provide reasonably satisfactory identification before being entitled to participate in or vote at the AGM. 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 2019, including the auditor's report, be adopted.

Additional information

The complete electronic copy of the audited annual financial statements, including the Directors' Report, the Independent 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 J de Villiers is the individual and designated auditor who will undertake the company's audit for the financial year ending 28 February 2020.

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 Dr CH Wiese who retires as director in terms of the Memorandum of Incorporation ("MOI") of the company and, being eligible, offers himself for re-election to the Board, be re-appointed. Dr Wiese is 78 years of age and he holds a BA ; LL B ; D Com (hc). Dr Wiese is the non-executive chairman of Tradehold and Shoprite Holdings Limited.

Voting requirement

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

Ordinary Resolution Number 4

That Mr MJ Roberts, who retires as director in terms of the MOI of the company and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr Roberts is 72 and he holds a BA, SEDP.

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, 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 ("Ordinary Shares") of no par value, or options or securities convertible into Ordinary Shares, for cash, from time to time, provided that such authorisation is, in aggregate, limited to 30% of the company's unissued Ordinary Shares, being 75 943 472, as at the date if this Notice, 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 Ordinary Shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- that in determining the price at which an issue of Ordinary Shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price as determined over the 30 business days prior to the date that the price of the issue is agreed between the company and the party subscribing for the securities;
- that any such issue will only be made to public shareholders, as defined by the Listings Requirements and not to related parties; and
- upon any issue of Ordinary Shares which, together with prior issues of Ordinary Shares during the same financial year, will constitute 5% or more of the total number of Ordinary Shares in issue prior to that issue, the company shall publish an announcement in terms of section 11.22 of the Listings Requirements, giving full details hereof, including (i) the number of Ordinary Shares issued, (ii) the average discount to weighted average traded price of the Ordinary Shares over the 30 business days prior to the date that the issue is agreed in writing between the company and the party/ies subscribing for the Ordinary Shares; and, (iii) in respect of the issue of options and convertible securities issued for cash, the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or (iv) in respect of an issue of Ordinary Shares for cash, an explanation including supporting information (if any), of the intended use of funds.

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

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

Ordinary Resolution Number 6
Resolved that the following authorised but unissued Unspecified Preference Shares (as defined below) be and are hereby placed under the control of the Board, who shall be authorised to issue such unissued Unspecified Preference Shares on such terms and conditions as they may in their discretion deem fit, but subject to the Act, the MOI, and the Listing Requirements:

- 10 000 000 redeemable class C preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified C Preference Shares");
- 10 000 000 redeemable class D preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified D Preference Shares");
- 10 000 000 redeemable class E preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified E Preference Shares"),

(the Unspecified C Preference Shares, Unspecified D Preference Shares and the Unspecified E Preference Shares, collectively, the "Unspecified Preference Shares") subject to the following limitations:

- the authority will be valid from the date of the AGM until the next AGM of the company;
- the maximum amount to be raised by the issue of Unspecified Preference Shares is R3 000 000 000;
- the Unspecified Preference Shares may only be issued if the Board is of the opinion, having taken into account prevailing conditions in the South African market for redeemable preference shares, that the commercial and technical terms and features of the relevant Unspecified Preference Shares are in all material respects arms' length and in line with current market norms (which for clarity will include, without limitation, that the Unspecified Preference Shares will bear a market-related coupon, that they will have a fixed date of maturity, that they will rank in priority to the Ordinary Shares and the non-convertible, non-participating, non-transferable, redeemable preference shares in the share capital of the company having the preferences, rights, limitations and other terms contemplated in clause 9 of this MOI in respect of distributions and on a winding up, and that they will have voting rights only in limited circumstances);
- if any Unspecified Preference Shares are issued to a related party (as defined in paragraph 10.1 of the Listings Requirements), the issue to such related party shall be subject to a fairness opinion from an independent expert acceptable to the JSE stating that the issue is fair insofar as the shareholders are concerned; and
- the Unspecified Preference Shares will be non-participating redeemable preference shares, i.e. the rate of dividends and returns payable in respect of the Unspecified Preference Shares will not be a function of the profitability of the company,

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

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

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

Ordinary Resolution Number 7
That the following independent directors of the company be elected as members of the audit and risk committee of the company, as a single resolution, until the conclusion of the next AGM of the company:
H R W Troskie
M J Roberts (subject to re-appointment pursuant to Ordinary Resolution Number 4)
L L Porter

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

Additional information
Mr Troskie is 49 years of age and he holds a B Juris ; LL B ; LL M. Mr Troskie is a non-executive director of Brait SE, Ardagh Group S.A. Puma Brandenburg Ltd and Pestana International Holdings S.A. .
Mr Roberts is 72 and he holds a BA, SEDP.
Dr Porter is 67 years of age and he holds a BA ; BSc, DPhil, FBCS, CITP. Dr Porter is a non-executive director of Brait SE..

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

Ordinary Resolution Number 8
Resolved that in accordance with the King report on Corporate Governance for South Africa 2016 ("King Code IV") and the Listing Requirements as a non-binding advisory vote, the Shareholders endorse the remuneration policy of the company, as set out on page 11 of the Annual Report.

Reason for and effect of non-binding advisory vote
In terms of principle 14 of the King Code IV, the company's remuneration policy should be tabled to the Shareholders for a non-binding advisory vote at the AGM. Accordingly, the Shareholders are requested to endorse the company's remuneration policy by way of a non-binding advisory vote in the same manner as an ordinary resolution.

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

Nevertheless, for record purposes, the non-binding advisory vote will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders, present in person or represented by proxy, to be approved.

Notice to shareholders (continued)

Tradehold Limited and its subsidiaries

Ordinary Resolution Number 9

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

Reason and effect of non-binding advisory vote

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

Voting requirement

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

Nevertheless, for record purposes, the non-binding advisory report will require the support of more than 50% (fifty percent) of the total number of votes exercisable by shareholders, present in person or represented by proxy, to be approved.

Ordinary Resolution Number 10

Resolved that

- the aggregate number of scheme shares that can be awarded under the Tradehold Employee Share Option Plan ("the Scheme") shall be increased from 7 806 644 to no more than 12 657 245 Ordinary Shares, representing 5% of the issued ordinary share capital of the Company on the last practicable date before printing of the Annual Report; and
- the aggregate number of scheme shares that may be awarded to any particular participant under the Scheme is increased from 1 561 329 to no more than 2 531 449 Ordinary Shares, representing 1% of the issued ordinary share capital of the Company on the last practicable date before printing of the Annual Report.

Reason and effect

The reason for and effect of Ordinary Resolution Number 10 is to increase the number of Ordinary Shares that may be issued in terms of the Scheme as a result of the issue of additional Ordinary Shares since the Scheme was established in 2015.

Voting requirement

Ordinary Resolution Number 10 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. All the votes attaching to all Ordinary Shares owned or controlled by persons who are existing participants in the Scheme are excluded from voting on this Ordinary Resolution Number 10.

Special Resolution Number 1

Resolved as a Special Resolution that the directors' remuneration to be paid by the company for services rendered during the reporting period from 1 March 2019 to 28 February 2020 be confirmed to be as follows:

Non-executive directors' fees

Board	EUR (excl. VAT)
Chairperson	50 000
Lead Independent Director*	25 000
Members	30 400

* also Chairperson of the Audit & Risk Committee, Remuneration Committee and the Social & Ethics Committee

	ZAR (excl.VAT)
Members	1 250 000

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 proposed remuneration payable by the Company to its non-executive directors for the period ending 28 February 2020.

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

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

Additional information

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

The Board considers that such a general authority should be put in place in order to assist the company inter alia to make loans to persons, including subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances. The existence of a general authority would void the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2020 AGM.

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

Reason and effect

The reason and effect of the Special Resolution Number 2 is to grant the Board the general authority to provide direct or indirect financial assistance to a director or prescribed officer of the company or to a related or inter-related company or members or persons related to such company, director, prescribed officer or corporation.

Voting requirement

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

Special Resolution Number 3

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

Reason and effect

The Board considers that such a general authority should be put in place in order to assist the company inter alia to make loans to persons, including subsidiaries as well as to grant letters of support and guarantees in appropriate circumstances, for the purpose of the subscription or purchase of shares in the capital of the company. The existence of a general authority would avoid the need to refer each instance to shareholders for approval. This general authority would be valid up to and including the 2020 AGM.

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.

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 and the Listings Requirements, to acquire the company's own securities, upon such terms and conditions and in such amounts as the Board may from time to time decide, but subject to the provisions of the Act and the Listings Requirements, be extended, subject to the following terms and conditions:

- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the company and the counter-party;
- authorisation be given by the company's MOI;
- 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;
- repurchases may not be made at a price greater than 10% above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time, the company may only appoint one agent to effect any repurchase;
- a paid press announcement will be published as soon as the company has cumulatively repurchased 3% of the initial number (i.e. the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases in compliance with section 11.27 of the Listings Requirements;
- repurchases by the company in aggregate in any one financial year may not exceed 20% of the company's issued share capital as at the date of passing of this special resolution or 10% of the company's issued share capital in the case of an acquisition of shares in the company by a subsidiary of the company; and
- 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.

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

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

Notice to shareholders (continued)

Tradehold Limited and its subsidiaries

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

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

Reason and effect

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

Voting requirement

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

Additional Information

In terms of the Listings Requirements, the following disclosures are required with reference to the general authority to repurchase the company's shares set out in Special Resolution Number 4, some of which are set out elsewhere in the annual report:

- Directors and management – refer page 22;
- Major shareholders of the company – refer page 120;
- Directors' interests in the company's securities – refer page 120;
- Share capital – refer page 67.

Ordinary Resolution Number 11

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 11 is to authorise any director or the Company Secretary of the company to attend to the necessary requirements to implement the special and ordinary resolutions passed at the AGM and to sign all documentation required to record that the company will be authorised to attend to any matter regarding the implementation of the special and ordinary resolutions on behalf of the company.

Voting requirement

Ordinary Resolution Number 11 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.

Social and Ethics Committee

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

Litigation Statement

Other than disclosed or accounted for in the annual report, the directors of the company, whose names are given on page 22 of the 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 22 of the annual report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to the above ordinary and special resolutions and certify that to the best of their knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the above ordinary and special resolutions contain all information required.

Material change

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

Voting Requirements

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 4, as well as 6 to 9. For ordinary resolution number 5 and 10 a 75% voting majority is required by the Listings Requirements. The special resolutions require a 75% voting majority in terms of the MOI and the Listings Requirements.

Proxies

All registered Shareholders will be entitled to attend and vote 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 MOI grants the Board or the chairman of the AGM the right to allow the form of proxy to be effective for purposes of voting at the AGM if the form of proxy is validly executed and received after this time but before the commencement of the AGM. Certificated Shareholders and dematerialised Shareholders with "own name" registration who complete and lodge forms of proxy, will nevertheless be entitled to attend and vote in person at the AGM, should they subsequently decide to do so. Dematerialised Shareholders, other than "own name" registration, must inform their central securities depository participant ("CSDP") or broker of their intention to attend the AGM and obtain the necessary authorisation (letter of representation) from the CSDP or broker to attend the AGM, or provide their CSDP or broker with their voting instructions, should they not be able to attend the AGM in person. This must be done in terms of the custody agreement entered into between the Shareholder and the CSDP or broker concerned.

Electronic attendance

Shareholders or their proxies who wish to participate in the AGM via the teleconference facility will be required to advise the company thereof by no later than 10:00 on Tuesday, 13 August 2019 by submitting, by email to The Company Secretary at cosec@mettle.net and Computershare at proxy@computershare.co.za, or by fax to be faxed to 0027 21 9452823 and 0027 11 688 5248, with the relevant contact details including email address, cellular number and landline, as well as full details of the Shareholder's title to the shares issued by the Company and proof of identity, in the form of copies of identity documents and share certificates (in the case of certificated shareholders), and (in the case of dematerialised Shareholders) written confirmation from the Shareholder's CSDP confirming the Shareholder's title to the dematerialised shares. Upon receipt of the required information, the Shareholder concerned will be provided with a secure code and instructions to access the electronic communication during the AGM.

By order of the board

Mettle Corporate Finance (Pty) Ltd
Secretary

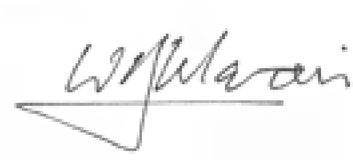
21 May 2019
Parow Industria
7493

Stock exchange transactions

	2019	2018	2017	2016	2015
Number of shares traded ('000)	10 263	17 424	8 580	12 914	12 158
Value of shares traded (R'000)	149 707	320 410	203 619	287 754	199 705
Volume of shares traded as % of total issued shares	4.05	7.05	3.47	6.9	7.8
Market capitalisation (R'000)	3 165 262	3 954 790	5 139 533	5 477 781	2 888 458
Share prices for the year (cents)					
Lowest	9 01	13 90	1 875	1 650	1 245
Average	12 87	18 45	2 541	2 250	1 728
Highest	16 74	21 35	3 870	3 401	2 175
Closing	12 50	16 00	2 080	2 910	1 850

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 2019, 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.



WD Marais
on behalf of Mettle Corporate Finance (Pty) Limited
Company Secretary

21 May 2019

Annual financial statements

Approval of annual financial statements

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

HRW TROSKIE
Acting Chairman

KL NORDIER
Director

21 May 2019

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 21 May 2019 by the Board of directors.

Directorate and administration

Directorate

C H Wiese (77) †
B A, LL B, D Com (HC)
Chairman

K R Collins (47) +

L L Porter (67) *
B A, BSc, DPhil, FBCS, CITP
Appointed on 2 May 2018

M J Roberts (72) * + o
B A

H R W Troskie (49) * + o
B Juris, LL B, LL M

J D Wiese (38) †
B A, LL B, M Com
alternate to C H Wiese

T A Vaughan (53) #
B Sc Hons, MRICS

F H Esterhuyse (49) #
B Acc Hons, M Com, CA(SA)

K L Nordier (52) # o
B Acc, BCompt Hons, CA (SA)
Financial director

D A Harrop (49) #
B A Hons, ACA

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

Administration

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

Sponsor
Mettle Corporate Finance (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 as well as The Boutique Workplace Company Ltd, a serviced office business.

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 2017 financial year.

Nguni Property Fund Limited

Nguni owns a portfolio of commercial properties and property developments in Namibia.

Tradehold Africa Limited

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

Tradegro S.à r.l.

Tradegro renders certain head office and treasury services in the group.

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

Investment properties

Changes in properties during the year and details of property valuations at 28 February 2019 are shown in note 2 to the annual financial statements.

Borrowings

Interest-bearing borrowings are shown in notes 18 and 22 to the annual financial statements, and includes bank borrowings of £480.4 million (2018: £579.5m).

Group results

Earnings

After taking into account the interest of non-controlling shareholders, the group reports a basic earnings per share of 5.3 pence (2018: 12.5 pence).

The annual financial statements on pages 28 to 119 set out fully the financial position, results of operations and cash flows of the group for the financial year ended 28 February 2019.

Dividends

A dividend of 50 cents per share with a reinvestment option, was declared on 22 May 2018 (2018: 10 cents per share, no reinvestment option). The dividend to shareholders not electing the reinvestment option was paid on 18 June 2018. The new shares subscribed for by shareholders electing the reinvestment options, were issued on 20 June 2018.

Events after the reporting period

On 27 February 2019, the group entered into an agreement with I Group Investments (Pty) Ltd to invest R833 million directly into its portfolio of South African property assets, with an option to subscribe for or acquire 12.5 million shares in Tradehold Ltd for R200 million. The transaction completed in May 2019.

Conditional sale agreements were signed before the year end to dispose of Tradehold Africa Limited's investment in Danbury Properties Limited and Falcata Limited, together with their respective investment holdings in First Properties Investment Limited and Hospitality Properties Investment Limited, as well as Tradehold Africa Limited's investment in Collwana Properties (Pty) Ltd. The sales are expected to complete in the first half of the new financial year.

There are no other 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 1 March 2018, Mr J M Wragge resigned as a non-executive director.

On 2 May 2018, Dr L L Porter was appointed as a non-executive director.

In terms of the Memorandum of Incorporation of the company Dr CH Wiese and Mr MJ Roberts retire as directors of the company at the annual general meeting but, being eligible, offer themselves for re-election.

At 28 February 2019 the directors of Tradehold Limited held a direct interest of 0.26% (2018: 0.46 %) and an indirect, non-beneficial interest of 63.47% (2018: 61.85%) 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 2019 the company had no holding company. An analysis of the main shareholders of the company appears on page 120 of this report.

Secretary

The name and address of the secretary appears on page 22 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 2019 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 28 to 119 comprise:

- the consolidated and separate statements of financial position as at 28 February 2019;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; 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.

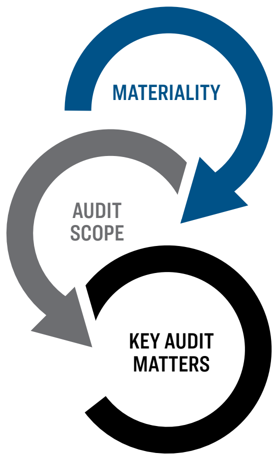
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

- £8 590 000, which represents 1% of Total Assets

Group audit scope

- The group consists of four property owning components and three head office components. We performed full scope audits on two of the property owning components and on two of the head office components.
- In addition we performed analytical procedures over the remaining components at a group level.

Key audit matters

- Valuation of investment properties

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

Materiality

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

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

Overall group materiality	£8 590 000
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 that the Group has experienced recently and which we expect to continue, further supports the use of total assets as our benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for companies in this sector.

How we tailored our group audit scope

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

The Group manages a property portfolio which includes retail, serviced offices, industrial, residential and leisure properties in the United Kingdom ("UK"), South Africa, Namibia and other African countries. The consolidated financial statements are a consolidation of the property owning components in the group.

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

In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team, 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.

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

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties The valuation of the Group's investment properties is a key contributor to the asset value 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 2019 the Group's investment property portfolio, including the straight-line lease income adjustment, was held at £727.2 million after recognising a fair value loss in the statement of comprehensive income of £17.3 million. The fair values are based on the directors' valuation and for a portion, the directors utilised valuation experts (the "Valuers") to assist them with the valuation of the investment properties. In determining a property's valuation, the directors and the Valuers take into account property specific information such as the current tenancy agreements and vacancy rates. The Valuers apply assumptions for yields and estimated future market rents, which are influenced by prevailing market yields and comparable property and leasing transactions in the market, to arrive at the final valuation.	We inspected the valuation supporting documentation for a sample of the properties valued externally or valued by the directors in the current year in order to evaluate whether the valuation approach followed by the directors for each property was in accordance with International Financial Reporting Standards (IFRS). We found the valuation approach to be consistent with the requirements of IFRS. We evaluated the Valuers' qualifications, expertise and experience in property valuations by inspecting their curriculum vitae and performing website searches, including a consideration of whether they are members of a registered professional body. We found 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 valuations prepared by the Valuers underpinning the investment property valuations including rental income and associated running costs, by agreeing them to the property records held by the Group. We assessed the property records for reliability by inspecting signed and approved lease contracts and other supporting documentation, with no material differences noted.

Independent auditor's report (continued)

To the shareholders of Tradehold Limited

Key audit matter	How our audit addressed the key audit matter
The valuation was considered to be a matter of most significance to the current year audit due to significant estimation uncertainty in relation to key assumptions (the yields and vacancy rates), coupled with the fact that only a small percentage difference in yields for individual property valuations, when aggregated, could result in a material misstatement. Refer to note 2 of the financial statements for details on the valuation of investment properties at fair value for accounting purposes and straight-line lease income adjustment.	We utilised our valuation expertise 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 on market indices. We recalculated the vacancy rates based on the un-let portion of assets sampled. No material differences were noted. We compared the investment yields used by the directors or Valuers to an estimated range of expected yields, determined via reference to published benchmarks. We found the yields used by the directors and Valuers to be within a reasonable range.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Financial Statements Tradehold Limited and its subsidiaries for the year ended 28 February 2019, which includes the Secretarial certification, Audit committee report and Directors' report as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the Integrated Report 2019, 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 21 years.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: JR de Villiers
Registered Auditor

Cape Town
21 May 2019

Statements of financial position

Tradehold Limited and its subsidiaries at 28 February 2019

COMPANY 2018 R'000	COMPANY 2019 R'000		Notes	GROUP 2019 £'000	GROUP 2018 £'000
		Assets			
4 723 372	4 079 060	**Non-current assets**		805 592	919 588
		Property, plant and equipment	1	9 336	11 150
		Investment properties – fair value for accounting purposes	2	702 124	822 459
		Investment properties – straight-line lease income adjustment	2	25 085	19 188
		Intangible assets	3	8 080	9 374
		Deferred taxation	8	11 811	11 678
105 142	7 838	Investment in subsidiaries	4	–	–
4 618 230	4 071 222	Loans to subsidiaries	4		
		Investments accounted for using the equity method			
		Investment in joint venture	5	11 328	865
		Investments in associates	6	543	674
		Derivative financial instruments	19	8 286	5 847
		Financial assets at amortised cost			
		Loans to operations held for distribution	10.3	–	8 419
		Loans to joint venture	5.3	18 371	26 218
		Loans to associates			
–	–	Loans receivable	7	9 770	2 379
		Other non-current assets	12	858	1 337
1 443	24 436	**Current assets**		53 434	155 405
		Financial assets at fair value through profit and loss	9	7 548	5 886
		Financial assets at amortised cost			
		Loans to operations held for distribution	10.3		13 421
	20 428	Loans to subsidiaries	4		
		Loans receivable	7	872	754
		Loans to associates	6.3	6 488	8 484
	2 200	Trade and other receivables	11	7 964	16 864
		Assets classified as held for sale	10	893	1 271
		Assets held for distribution	10.3		76 091
		Other current assets	12	16 465	15 884
		Taxation	27	308	353
1 443	1 808	Cash and cash equivalents	13	12 896	16 397
4 724 815	**4 103 496**	**Total assets**		**859 026**	**1 074 993**
		Equity and liabilities			
3 566 545	2 967 181	**Ordinary shareholders' equity**		287 161	324 744
3 736 210	3 097 001	Share capital and share premium	14	220 392	260 102
(169 665)	(129 820)	Reserves	15	66 769	64 642
		Non-controlling interest	16	9 871	13 858
3 566 545	2 967 181	**Total equity**		297 032	338 602
1 127 902	1 110 686	**Non-current liabilities**		506 793	594 242
1 127 902	1 110 686	Preference share liability	17	59 780	69 321
		Long-term borrowings	18	401 101	472 384
		Derivative financial instruments	19	2 296	224
		Deferred taxation	8	43 616	52 313
30 368	25 629	**Current liabilities**		55 201	142 149
20 000	20 428	Preference share liability	17	1 099	1 229
–		Short-term borrowings	22	27 120	46 349
		Deferred revenue	20	6 335	10 669
10 368	5 201	Trade and other payables	21	19 450	24 375
		Liabilities held for distribution	10.3		58 688
		Taxation	27	559	325
		Bank overdrafts	13	638	514
1 158 270	**1 136 315**	**Total liabilities**		**561 994**	**736 391**
4 724 815	**4 103 496**	**Total equity and liabilities**		**859 026**	**1 074 993**

Statements of comprehensive income

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

COMPANY 2018 R'000	COMPANY 2019 R'000		Notes	GROUP 2019 £'000	GROUP 2018 £'000
		Continuing operations			
		Revenue	23	96 438	101 471
–	–	Other operating income	24	1 875	1 427
		Profit on disposal of investment property	25	1 369	1 157
		Net (loss)/gain from fair value adjustment on investment property	2	(17 315)	11 760
		Gain/(loss) on disposal and scrapping of PPE (excluding buildings)	25	11	
		Impairment losses on financial assets		(825)	
(242)	(44)	Employee benefit expenses	25	(6 586)	(5 915)
(355)	(103)	Lease expenses	25	(7 536)	(6 361)
		Depreciation, impairment and amortisation	1 & 3	(3 006)	(2 656)
(21 662)	(23 827)	Other operating costs	25	(21 166)	(19 383)
(22 259)	(23 974)	**Trading profit/(loss)**		43 259	81 500
		Gain/(loss) on acquisition/disposal of investments and other financial assets		(48)	340
	61 910	Gain/(loss) on acquisition/disposal of subsidiary		3 107	
		Impairment of goodwill	3	(115)	–
		Fair value gain/(loss) on financial assets at fair value through profit or loss	9 & 19.4	8 773	(37)
(22 259)	37 936	**Operating profit/(loss)**	25	54 976	81 803
57 233	94 637	Finance income	26	7 975	6 152
(81 521)	(92 727)	Finance cost	26	(51 241)	(51 877)
		Earnings from joint venture	5	2 473	662
		Earnings from associated companies	6	13	539
(46 547)	39 846	**Profit before taxation**		14 196	37 279
		Taxation	27	(664)	(7 000)
(46 547)	39 846	**Profit for the year from continuing operations before non-controlling interest**		13 532	30 279
		Profit from operations held for distribution before non-controlling interest	10	296	4 060
		Profit for the year before non-controlling interest		13 828	34 339
		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		320	308
		Deferred tax on cash flow hedges		(59)	(62)
		Exchange differences on translation of foreign operations		(19 496)	(2 814)
(46 547)	39 846	**Total comprehensive income for the year**		(5 407)	31 771
		Profit attributable to:			
		Owners of the parent		**13 212**	**30 826**
		Non-controlling interest		616	3 513
				13 828	34 339
		Total comprehensive income attributable to:			
		Owners of the parent		(6 023)	28 258
		Non-controlling interest		616	3 513
		Total comprehensive income for the year		(5 407)	31 771
		Total comprehensive income attributable to owners of the parent arises from:			
		Continuing operations		(5 242)	26 082
		Discontinued operations	10	(781)	2 176
		Total comprehensive income for the year		(6 023)	28 258
		Earnings per share for profit attributable to the ordinary equity holders of the company	28		
		Basic earnings per share		5.3	12.5
		Diluted earnings per share		5.3	12.5
		Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the company			
		Basic earnings per share		5.2	11.2
		Diluted earnings per share		5.2	11.2

Statements of cash flows

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

COMPANY 2018 R'000	COMPANY 2019 R'000		Notes	GROUP 2019 £'000	GROUP 2018 £'000
		Cash flows from operating activities			
(22 259)	37 936	Operating profit/(loss)		54 976	81 803
	(61 910)	Non-cash items	29.1	(1 001)	(10 525)
2 056	(5 167)	Changes in working capital	29.2	(7 047)	(11 936)
(20 203)	(29 141)	Cash (used in)/from operations		46 928	59 342
51 143	92 437	Interest received		4 333	4 888
(72 853)	(91 389)	Interest paid	29.5	(46 517)	(51 442)
(24 709)	(123 587)	Dividends paid to ordinary shareholders		(6 888)	(1 501)
		Dividends paid to non-controlling interests		(145)	(1 092)
		Taxation refunded/(paid)	29.3	534	(1 220)
		Operating activities of operations held for distribution	10.3		4 198
(66 622)	(151 680)	**Net cash flows from operating activities**		(1 755)	13 173
		Cash flows from/utilised in investing activities			
		Acquisition of investment properties	2.1	(15 221)	(25 422)
		Acquisition of property, plant and equipment	1	(1 805)	(4 097)
		Acquisition of financial assets		(84)	
		Proceeds on disposal of investment properties	2.1	54 258	10 853
		Proceeds on disposal of property, plant and equipment		344	13
		Proceeds on disposal of financial assets		1 729	
		Loans advanced to joint venture	5.4	(227)	(4 532)
(162 028)	81 403	Loans repaid by/(advanced to) group companies		—	—
		Loans repaid by operations held for distribution	10.3	—	17 646
		Loans repaid by/(advanced to) associate undertaking	6.4	(94)	44
		Loans and advances – advanced		(580)	(2 468)
		Loans and advances – repaid		846	100
		Investing activities of operations held for distribution	10.3		(32 384)
(162 028)	81 403	**Net cash flows from/ utilised in investing activities**		39 166	(40 247)
		Cash flows from financing activities			
		Proceeds from borrowings	29.5	99 793	154 144
	—	Repayment of borrowings	29.5	(143 381)	(195 719)
229 692	32	Proceeds from preference share issue		2	62 983
	(18 158)	Redemption of preference shares	29.5	(1 017)	(35 601)
	88 768	Proceeds from ordinary share issue	29.4	4 879	—
		Acquisition of treasury shares		(1 278)	(124)
		Acquisition of non-controlling interest			(2 600)
		Financing activities of operations held for distribution	10.3		29 559
229 692	70 642	**Net cash from financing activities**		(41 002)	12 642
1 042	365	**Net increase in cash and cash equivalents**		(3 591)	(14 432)
		Effect of changes in exchange rate		(34)	(58)
401	1 443	Cash and cash equivalents at beginning of the year		15 883	30 373
1 443	1 808	Cash and cash equivalents at end of the year		12 258	15 883
				—	
		Cash and cash equivalents consists of:			
1 443	1 808	Cash and cash equivalents	13	12 896	16 397
		Bank overdrafts		(638)	(514)
1 443	1 808			12 258	15 883

Statements of changes in equity

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

£'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
GROUP								
Balance at 28 February 2017	261 634	16 667	37	(400)	19 958	297 896	13 210	311 106
Profit for the year					30 826	30 826	3 513	34 339
Issue of ordinary shares by the company	93					93		93
Dividends distributed to shareholders	(1 501)					(1 501)		(1 501)
Acquisition of treasury shares	(124)					(124)		(124)
Transactions with minorities					(78)	(78)	(1 803)	(1 881)
Capital reserve (ESOP)			40			40		40
Distribution to minorities							(1 092)	(1 092)
Other comprehensive income for the year		(2 816)		216	192	(2 408)	30	(2 378)
Balance at 28 February 2018	260 102	13 851	77	(184)	50 898	324 744	13 858	338 602
Profit for the year					13 211	13 211	616	13 827
Issue of ordinary shares by the company								
Dividends distributed to shareholders	(6 888)					(6 888)		(6 888)
Dividends reinvested by shareholders	4 879					4 879		4 879
Acquisition of treasury shares	(1 278)					(1 278)		(1 278)
Capital distribution*	(36 423)				8 662	(27 761)	(1 186)	(28 947)
Disposal of subsidiary							(3 706)	(3 706)
Transactions with minorities					(434)	(434)	434	
Capital reserve (ESOP)			(76)			(76)		(76)
Distribution to minorities							(145)	(145)
Other comprehensive income for the year		(19 497)		261		(19 236)		(19 236)
Balance at 28 February 2019	220 392	(5 646)	1	77	72 337	287 161	9 871	297 032
COMPANY								
Balance at 28 February 2017	3 759 384				(123 118)	3 636 266		3 636 266
Profit for the year					(46 547)	(46 547)		(46 547)
Issue of ordinary shares by the company	1 535					1 535		1 535
Dividends distributed to shareholders	(24 709)					(24 709)		(24 709)
Balance at 28 February 2018	3 736 210				(169 665)	3 566 545		3 566 545
Profit for the year					39 846	39 846		39 846
Issue of ordinary shares by the company								
Capital distribution*	(604 390)					(604 390)		(604 390)
Dividends distributed to shareholders	(123 587)					(123 587)		(123 587)
Dividends reinvested by shareholders	88 768					88 768		88 768
Other comprehensive income for the year								
Balance at 28 February 2019	3 097 001				(129 819)	2 967 182		2 967 182

* A capital distribution was made on 28 May 2018 as part of the unbundling transaction. The distribution is a return of capital, and has therefore been recognised as a reduction of share capital and premium – refer note 10.3 for further details

Accounting policies

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

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

1. Basis of preparation

Statement of compliance

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

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

Preparation of the consolidated annual financial statements

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

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

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

Use of adjusted measures

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

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

2. Changes in accounting policy and disclosures

(a) Standards, interpretations and amendments effective at 28 February 2019

The following new standards, and interpretations and amendments to existing standards, that are effective as at 28 February 2019 have been applied by the group for the annual reporting period commencing 1 March 2018:

Number	Title
IFRS 9	Financial Instruments
IFRS 15 **Amendments to IFRS 2**	Revenue from Contracts with Customers Classification and Measurement of Share-based Payment Transactions
Annual improvements 2014-2016 cycle **Amendments to IAS 40** **Interpretation 22**	Transfers to Investment Property Foreign Currency Transactions and Advance Consideration

The group has also elected to adopt the following amendments early:

Annual Improvements to IFRS Standards 2015 – 2017 Cycle

The group had to change its accounting policies following the adoption of IFRS 9 and IFRS 15. Other than reclassification, the change in accounting policy and the other amendments listed above did not have any significant impact on the amounts recognised in prior periods and do not significantly affect the current or future periods.

IFRS 9, Financial Instruments

An impact assessment was performed in 2018 to understand and evaluate the potential impact of the adoption of IFRS 9, Financial Instruments on the group financial statements. IFRS 9 replaces the provisions of IAS 39 that relate, inter alia, to the recognition, classification and measurement of financial assets and financial liabilities. The main areas for consideration in relation to recognition and measurement of financial instruments for the group were in relation to the classification of financial assets and the measurement of expected credit losses with regards to financial assets. The adoption of IFRS 9 Financial Instruments from 1 March 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. The new accounting policies are set out in note 13 and 14. In accordance with the transitional provisions in IFRS, comparative figures have not been restated.

Classification and measurement of financial instruments

On the date of initial application, 1 March 2018, the measurement categories of the financial instruments of the group were as follows:

Financial instrument	Classification under IAS 39	Classification under IFRS 9
Derivative financial instruments	Fair value through profit or loss	Fair value through profit or loss
Trade and other receivables (note 11)	Amortised cost	Amortised cost
Financial assets held at fair value	Fair value through profit or loss	Fair value through profit or loss
Cash and cash equivalents	Amortised cost	Amortised cost
Loans and borrowings	Amortised cost	Amortised cost
Trade and other payables	Amortised cost	Amortised cost

As shown above, there were no classification differences on adoption of IFRS 9.

Impairment of financial assets

Financial assets held by the group classified at fair value through profit or loss are not within the scope of the impairment requirements of IFRS 9. Accordingly, only trade and other receivables and cash and cash equivalents are subject to IFRS 9's new expected credit loss model. In relation to the impairment of financial assets, IFRS 9 requires the group to recognise the expected credit losses and changes in those expected credit losses at each reporting date. The expected credit losses are recognised as a loss allowance based on one of three approaches. An assessment was performed on each applicable financial asset held by the group as follows:

Items at 1 March 2018 that are subject to the impairment provisions of IFRS 9	Note	Credit risk attributes at 1 March 2018
Trade and other receivables	11	The group applies the simplified approach and recognised lifetime expected credit losses for these assets.
Cash and bank balances	13	South African bank balances are deemed to have a moderate credit risk and the UK bank balances are deemed to have a low credit risk at each reporting date as they are held with reputable banking institutions.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the expected credit losses are immaterial. As permitted by IFRS 9, the group has elected to apply the simplified approach for trade receivables, contract assets and lease receivables and measure the loss allowance at an amount equal to the lifetime expected credit losses for these financial assets.

In this regard, the group performed an assessment of the expected loss rate in terms of a provision matrix of the ageing of the group's trade receivables. This assessment was performed by ascertaining the historical credit loss experience from observed default rates and then adjusting these rates using forward-looking information in order to establish the expected loss rates. The results of this assessment are outlined in note 9.

The recognition of an expected credit loss allowance at 1 March 2018 resulted in an immaterial increase in the impairment provision for trade receivables.

IFRS 15 impact from revenue from contracts with customers

The impact of the implementation of IFRS 15 in the current year is discussed below:

Areas impacted	Impact for the year ended 28 February 2019
Scope	Property revenue: rental income is earned based on the contractual lease terms and therefore falls within the scope of IAS 17. Tenant recoveries: it can be argued that tenant recoveries fall under IAS 17 as provision for these recoveries are made in lease agreements. However, the frequency of these recoveries as well as the value of the recoveries are not detailed in the lease agreements as they are based on actual expenses incurred by the landlord. Therefore, tenant recoveries fall within the scope of IFRS 15. Property management fee: Property management fees are levied in order to cover the costs of managing the property operationally, drafting contractual agreements, managing municipal accounts and all other elements of the property as defined in the lease agreement. The contract is the lease agreement entered into between the landlord and the tenant which would detail the property management fees; the performance obligation is the ongoing obligation to provide property management services as detailed in the lease agreement; the transaction price is governed by the lease and specifies that the landlord may charge the tenant a percentage of net rental monthly in advance; the revenue is allocated to the specific provision of services; and the revenue is recognised monthly in line with the agreement. Based on the assessment performed, property management fees fall within the scope of IFRS 15.
Principal versus agent	A principal is an entity which obtains control over the goods or services prior to being transferred to the tenant. Control can be in the form of: i) the entity being primarily responsible for fulling the promise to provide the good or service. ii) the entity having inventory risk before the good or service has been transferred to the tenant. iii) the entity having discretion in establishing the prices for the good or service. Tradehold negotiates the terms of the service, manages the relationship with the suppliers, is liable for payments (even if the property is vacant or the expense is not recovered from the tenant), and maintains primary responsibility for providing the service. Therefore, the group accounts for tenant recoveries and property management fees on a gross basis under IFRS 15.

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

(b) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 28 February 2019 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

Title of Standard	IFRS 16 Leases
Nature of change	IFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low-value leases. The accounting for lessors will not significantly change.
Impact	The group's leasing arrangements over the last financial year have been reviewed, and it has been determined that the standard will affect primarily the accounting for the group's operating leases whereby the group is the lessee in the transaction. The group expects to recognise right-of-use assets of approximately £36.5 million on 1 March 2019, lease liabilities of £40.9 million after a decrease in prepayments recognised as at 28 February 2019 of £1 million. Overall net equity will be approximately £1.5 million lower after minority interests. The group expects that net profit after tax will decrease by approximately £0.3 million for the 28 February 2020 financial year as a result of adopting the new rules. Operating cash flows will increase and financing cash flows decrease by approximately £2.4 million as repayment of the principal portion of the lease liabilities will be classified as cash flows from financing activities.
Mandatory application date/ Date of adoption by group	The group will apply the standard from its mandatory adoption date of 1 March 2019. The group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

3. Principles of consolidation and equity accounting

a) Subsidiaries

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

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

Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for in equity.

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

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

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

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

b) Transaction with non-controlling interests

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

c) Disposal of subsidiaries

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

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

d) Associates

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

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

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

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

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

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

e) Joint arrangements

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

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

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

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

4. Earnings per share

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

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

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

5. Segment reporting

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

The Group has the following four operating and reportable segments:

- Property – United Kingdom
- Proprety – South Africa
- Property – Namibia
- Property – Rest of Africa
- Serviced Office – United Kingdom

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

6. Foreign currency translation

(a) Functional and presentation currency

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

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

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

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

(c) Group companies

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

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

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

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

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

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

7. Investment property

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

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.

8. Property, plant and equipment

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

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

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

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

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

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

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

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

9. Leases

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

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

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

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

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

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

10. Intangible assets other than goodwill

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

11. Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in 'intangible assets'. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Impairment losses on goodwill are not reversed.

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, being the operating segments

12. Impairment of non-financial assets

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

13. Investments and other financial assets

(a) Classification

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

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

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

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

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

(b) Recognition and derecognition

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

(c) Measurement

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

Debt instruments

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

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

Equity instruments

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

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

(d) Impairment

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

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

(e) Offsetting financial instruments

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

14. Investments and other financial assets

Assets carried at amortised cost

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

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

Impairment testing of trade receivables is described in note 11.

15. Cash and cash equivalents

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

16. Share capital

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

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

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

17. Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Financial liabilities measured at amortised cost

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

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

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

18. Trade and other payables

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

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

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

19. Financial guarantee contracts

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

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

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

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

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

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

20. Derivative financial instruments and hedging activities

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

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

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

The fair values of derivative financial instruments designated in hedge relationships are disclosed in note 18. Movements in the hedging reserve in shareholders' equity are shown in note 18. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

Cash flow hedges that qualify for hedge accounting

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

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

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

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

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

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

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

Derivatives that do not qualify for hedge accounting

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

21. Deferred revenue

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

22. Deferred consideration

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

23. Borrowings

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

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

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

24. Current and deferred income tax

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

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

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

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

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

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

Withholding tax on dividends

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.

25. 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.

26. Employee benefits

(a) Pensions

The group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The group has no further payment obligations once the contributions have been paid. Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the company's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(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.

Accounting policies (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

(c) Profit-sharing and bonus payments

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

(d) Termination benefits

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

27. Provisions

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

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

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

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

28. Revenue

Revenue comprises the following:
Rental income
Boutique serviced office revenues
Property management

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

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

(a) Rental income

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

(b) Service and management charges

Service and management charges are as a result of the group recovering costs of providing the tenant with services as determined by the lease agreement. The group negotiates the terms of the service, manages the relationship with the suppliers and is liable for payment (even if the expense is not recovered from the tenant or the property is vacant), and therefore primary responsibility for providing the service is maintained by the group. The group acts as a principal on its own account when recovering operating costs from tenants.

(c) Interest income

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

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

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

(d) Dividend income

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

(e) Fee and commission revenue

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

29. Dividend distribution

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

30. Interest in subsidiaries

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

31. Critical accounting estimates, assumptions and judgements

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

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

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

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

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

The principal assumptions underlying management's estimation of fair value are those related to the receipt of contracted rentals, expected future market rentals, expected vacancy rates, expected lease renewals, maintenance requirements and appropriate discount and capitalisation rates. These valuations are regularly compared to actual market yield data, actual transactions by the group and those reported by the market.

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

Refer to note 33.9 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 3.

d) Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

Details of the fair value calculation of derivatives are set out in note 19.

e) Distinguishing asset acquisitions from business combinations

Where the group obtains control of entities that own investment properties, or when the group acquires properties or a group of properties collectively, an evaluation is performed as to whether such acquisitions should be accounted for as business combinations or acquisitions in terms of IAS 40 Investment Properties. An acquisition is not considered to be a business combination if at the date of the acquisition of the entity the integrated activities deemed necessary to generate a business are not present.

f) Impairment of financial assets

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

Notes to the annual financial statements

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		Machinery, equipment and vehicles	Improve-ments to leasehold property	Total
1	**Property, plant and equipment**			
1.1	£'000			
1.1.1	**Cost**			
	At 28 February 2018	16 351	17	16 368
	Additions	1 805		1 805
	Foreign currency translation differences	(640)		(640)
	Disposals and scrappings	(576)		(576)
	Transfer to assets held for distribution			
	At 28 February 2019	16 940	17	16 957
1.1.2	**Accumulated depreciation**			
	At 28 February 2018	5 201	17	5 218
	Charge for the year	2 742		2 742
	Foreign currency translation differences	(97)		(97)
	Disposals and scrappings	(242)		(242)
	At 28 February 2019	7 604	17	7 621
1.1.3	Book value at 28 February 2019	9 336	–	9 336
1.2	£'000			
1.2.1	**Cost**			
	At 28 February 2017	12 491	36	12 527
	Additions	4 097		4 097
	Acquired through change in control of associate to subsidiary	33		33
	Foreign currency translation differences	(41)		(41)
	Disposals and scrappings	(13)		(13)
	Transfer to assets held for distribution	(216)	(19)	(235)
	At 28 February 2018	16 351	17	16 368
1.2.2	**Accumulated depreciation**			
	At 28 February 2017	3 110	21	3 131
	Charge for the year	2 224		2 224
	Foreign currency translation differences	19		19
	Disposals and scrappings	(10)		(10)
	Transfer to assets held for distribution	(142)	(4)	(146)
	At 28 February 2018	5 201	17	5 218
1.2.3	Book value at 28 February 2018	11 150	–	11 150

1.3 The group leases certain property, plant and equipment under operating leases – refer to note 30.3

		GROUP	
		2019 £'000	2018 £'000
2	**Investment properties**		
2.1	At beginning of year	841 647	806 660
	Additions	10 968	25 422
	Acquired through change in control of associate to subsidiary	4 253	4 840
	Capitalisation of borrowing costs – refer note 2.10	979	641
	Foreign currency translation differences	(69 223)	(10 797)
	Disposals	(52 890)	(9 696)
	Transfer to assets held for sale	(893)	(1 271)
	Straight line lease adjustment	9 683	14 088
	Net gain/(loss) from fair value adjustments on investment property	(17 315)	11 760
	At end of year	727 209	841 647
	Comprising		
	Investment properties at fair value for accounting purposes	702 124	822 459
	Straight-line lease adjustment disclosed separately	25 085	19 188
		727 209	841 647

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 33.9

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 GVA who hold recognised and relevant professional qualifications, valued property located in England & Wales representing £16.2 million (2018: £nil) of the portfolio.

External valuers Duff & Phelps who hold recognised and relevant professional qualifications, valued property located in England & Wales representing £86.0 million (2018: £nil) of the portfolio.

New acquisitions and developments in 2019 represent £nil million of the portfolio (2018: £14.2 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 0% and 14% (2018: yields between 4% and 8%) and vacancy rates of between 0% and 100%.

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 New acquisitions and developments in 2019 represent £7 million of the portfolio (2018:nil 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 8.50% and 10.25% (2018: yields between 8.25% and 9.50%)

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

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 There were no acquisitions in 2019 (2018: £nil).

The properties were valued by the directors following discussions with appropriate qualified employees of the group's bankers and information received from agents and auctioneers. The Zambian and Botswana assets were valued based on signed sale agreements which are to be executed in the first quarter of the 2020 financial year.

The remaining valuations were performed in accordance with a market value analysis based on rental yields of between 8.99% and 10.16% (2018: yields between 9.10% and 10%) and vacancy rates of between 0% and 3%.

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, Knight Frank (Gauteng) (Pty) Ltd, Roger O'Leary & Associates and Urban Valuations Incorporates who hold recognised and relevant professional qualifications valued property located throughout South Africa representing GBP 145 million (2018: GBP 114.5 million) of the portfolio.

New acquisitions and developments purchased in 2019 represent GBP 5 million (ZAR93.9 million) of the portfolio (2018: GBP 12.1 million).

The valuations were performed in accordance with a market value analysis based on rental yields of between 8.25% and 14% (2018: between 8% and 11.5%) and vacancy rates of between 0% and 2.04% (2018: between 0% and 1.93%)

		GROUP	
		2019 £'000	2018 £'000
2.6	Investment properties with a carrying amount that were vacant at year-end.	4 367	7 466
2.7	**Income and expenditure relating to investment properties**		
	Rental income	64 944	67 860
	Direct operating expenditure	9 858	9 532
	Direct operating expenses recognised in profit or loss relating to investment property that was unlet.	182	4 504
2.8	The borrowing costs were capitalised at the following rates, being the weighted average interest rate applicable to the entity's general borrowings during the year:		
	Africa	–	7.1%
	South Africa	9.75% and 10.00%	9.75% and 10.00%
	Namibia	between 10% and 10.25%	–

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 to note 33.9

2.10 On 30 June 2018, Nguni Property Developments (Pty) Ltd purchased 45% of TradeCol Investment Holdings share capital from Africol Namibia (Pty) Ltd, which holds 100% of Probo JV (Pty) Ltd. This took Nguni Property Developments (Pty) Ltd shareholding from 42.50% to 87.5%, and resulted in the consolidation of the investment property held by Probo JV (Pty) Ltd.

Neither of the entities represents a business as defined by IFRS 3 – business combinations, this acquisition has been accounted for as an asset acquisition in line with the group accounting policies for such transactions.

		GROUP	
		2019 £'000	2018 £'000
3	**Intangible assets**		
	Goodwill – refer note 3.1	8 021	9 052
	Other intangible assets – refer note 3.2	59	322
		8 080	9 374
3.1	**Goodwill**		
	Cost	8 145	9 052
	Accumulated impairment losses	(124)	
		8 021	9 052
3.1.1	**Cost**		
	Balance at beginning of year	9 052	13 243
	Acquisition	43	10
	Disposal	(720)	
	Transfer to assets held for sale – refer note 10		(4 013)
	Warranty settlement		(212)
	Foreign currency translation movements	(230)	24
	Balance at end of year	8 145	9 052
3.1.2	**Accumulated impairment losses**		
	Balance at beginning of year	–	(1 441)
	Impairment losses recognised in the year	(115)	
	Transfer to assets held for sale – refer note 10	–	1 434
	Foreign currency translation movements	(9)	8
		(124)	–

The impairment losses recognised in the year are as a result of a decrease in the fair values of the investment properties to which the goodwill relates.

3.1.3 Allocation of goodwill to cash-generating units

Management reviews the business performance based on geography and type of business. It has identified the United Kingdom as the main geography, and the type of business is property. Goodwill is monitored by management at the operating segment level. The following is a summary of the goodwill allocation for each applicable operating segment:

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

2018	Opening	Additions – restated	Impairment	Foreign currence translation movements	Transfer to assets held for distribution	Warranty settlement	Closing
SA short-term lending	2 592	—	—	(12)	(2 580)	—	—
UK property	8 000	10	—	—	—	—	8 010
Other	1 210		—	44	—	(212)	1 042
Total	11 802	10	—	32	(2 580)	(212)	9 052

Other comprises goodwill allocated to Namibia and rest of Africa.

3.1.3.1 The goodwill allocated to the UK property segment has been determined to be the serviced office business owned by subsidiaries held by the Group. No impairment charge arose as a result of the impairment test (2018: 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 2019 %	GROUP 2018 %
The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:		
WACC	5.90%	8.00%
Growth rate	20.90%	2.50%
Sustainable growth rate	—	0.50%
The principal assumptions where impairment occurs are as follows:		
WACC	15.60%	29.13%
Growth rate	15.60%	-20.00%
Sustainable growth rate	—	-1.50%

Management have determined the values assigned to each of the above key assumptions as follows:
WACC: this is determined as the weighted average cost of funds borrowed by the business internally and externally.
Growth rate: detailed financial forecasts have been produced using realistic assumptions about the rate at which new locations are opened and the speed at which those new locations become profitable. These forecasts support a growth in EBITDA of 20.9% over the 5 year period of cash flows used to assess goodwill carrying value.
Sustainable growth rate: cash flows beyond the five year period are assumed to be constant.

		2019 £'000	2018 £'000
3.2	**Other intangible assets**		
	Cost	1 518	1 518
	Accumulated amortisation	(1 459)	(1 196)
		59	322
3.2.1	**Cost**		
	Balance at beginning of year	1 518	1 518
	Movement		
	Balance at end of year	1 518	1 518
3.2.2	**Accumulated amortisation**		
	Balance at beginning of year	(1 196)	(764)
	Amortisation for the year	(263)	(432)
		(1 459)	(1 196)

Intangible assets comprise lease benefits acquired as part of the Ventia acquisition in the 2016 financial year, and represent the net present value of the favourable lease terms. The asset is amortised over the life of the beneficial leases. The intangible assets were identified following on the finalisation of the Ventia purchase price allocation in the 2017 financial year.

COMPANY 2018 R'000	COMPANY 2019 R'000			GROUP 2019 £'000	GROUP 2018 £'000
		4	**Investment in subsidiaries**		
		4.1	**Shares in subsidiaries consisting of:**		
7 838	7 838		Shares in Tradegro Holdings (Pty) Ltd at cost (100% held)		
97 304	–		Shares in Mettle Investments (Pty) Ltd at cost (100% held)		
105 142	7 838				
		4.2	**Loans to subsidiaries consisting of:**		
3 391 091	2 932 860		**Amount owing by Tradegro Holdings (Pty) Ltd (100% held)** 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.		
42 000	–		**Amount owing by Mettle Investments (Pty) Ltd (100% held)** The loan to Mettle Investments (Pty) Ltd was capitalised as part of the unbundling transaction during the year – refer note 10.3		
1 185 139	1 158 791		**Loan (from)/to subsidiary company – Tradegro S.àr.l (100% held)** R1.135 million of the loan to Tradegro S.àr.l bears interest at a rate of 72% of 3 month ZAR JIBAR plus 3%, payable quarterly, with capital of R10.2 million repayable semi-annually, and the balance repayable on 20 December 2021. The balance of R24 million is interest free, unsecured and a direct foreign investment, with no fixed date of repayment, and has been classified as non-current.		
4 618 230	4 091 650				
4 618 230	4 071 222		Non-current		
	20 428		Current		
4 618 230	4 091 650				

4.3 Credit risk management practices and impairment assessment

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

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

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

There have been no changes in assumptions during the year.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP 2019 £'000	GROUP 2018 £'000
5	**Interests in joint venture**		
5.1	**Consisting of:**		
	Shares at cost plus attributable retained income	11 328	865
	Financial assets – loans due from joint ventures	18 371	26 218
		29 699	27 083
5.2	**Shares at cost plus attributable retained income**		
	At beginning of the year	865	658
	Capitalisation of loan accounts – refer note 5.3	8 190	
	Share of profit	2 473	662
	Transfer to assets held for distribution – refer note 10		(455)
	Dividends received	(200)	–
	Carrying value	11 328	865
5.3	**Loans due from joint ventures**	16 446	14 858
	Inception (Reading) S.àr.l		
	Moorgarth Group Ltd has provided an unsecured £14 000 000 loan to Inception (Reading) S.àr.l. Interest accrues daily at an annual rate of 3 month UK LIBOR + 7%, payable quarterly. The full capital amount is due for repayment on 28 May 2020.		
	Moolmoor Holdings Limited	–	8 990
	The loan was capitalised during the year – refer note 5.2		
	Mega Centre JV	1 925	2 370
	The loan is unsecured, bears interest at Namibian prime when funded equally by both partners. When funded disproportionately the loan bears interest at Namibian prime plus 2% on this unequal portion. The loan is repayable on demand. There are no repayments expected within the next 12 months and therefore it has been classified as non-current.		
		18 371	26 218
5.4	**Movements in loans due from joint ventures**		
	Opening balance	26 218	19 973
	Loan advanced to joint ventures	588	5 100
	Interest and other fees	1 220	1 713
	Loans capitalised	(8 990)	
	Loans repaid by joint ventures	(361)	(568)
	Foreign currency translation differences and forex losses	(304)	
	Closing balance	18 371	26 218

5.5 Credit risk management practices and impairment assessment

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

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

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

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

There have been no changes in assumptions during the year.

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

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

5.6 Details of joint ventures

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

Name of company	Place of business/ country of incorporation	% ownership interest 2019	% ownership interest 2018	Carrying amount £’000 2019	Carrying amount £’000 2018
Inception (Reading) S.àr.l	UK/Luxembourg	50	50	(2 123)	(1 585)
Moolmoor Holdings Ltd	UK	50	50	8 542	38
Molmoor Investments Ltd	UK	50	50	177	176
Molmoor Waverley Ltd	UK	50	50	4 734	2 238
Reading Site Services Ltd	UK	50	50	(2)	(2)
Moolmoor Site Services Ltd	UK	50	—	—	—
				11 328	865

The joint ventures are private companies and there are no quoted market price available for their shares.

5.7 Commitments and contingent liabilities in respect of joint venture

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

5 Interests in joint venture (continued)

5.8 Summarised financial information per joint venture entity

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

Summarised financial information for the year ended 28 February 2019

	GROUP						
£'000	Inception (Reading) S.àr.l	Moolmoor Holdings Ltd	Moolmoor Investments Ltd	Moolmoor Waverley Ltd	Reading Site Services Ltd	Moolmoor Site Services Ltd	Total
Current							
Cash and cash equivalents	1 093		455	684	98	20	2 350
Other current assets (excluding cash)	1 850		314	768	2	2	2 936
Total current assets	2 943		769	1 452	100	22	5 286
Financial liabilities (excluding trade payables)	(886)		(315)	(450)	(94)	(1)	(1 746)
Other current liabilities (including trade payables)	(267)	(81)	(25)	(314)	(9)	(21)	(717)
Total current liabilities	(1 153)	(81)	(340)	(764)	(103)	(22)	(2 463)
Non-current							
Assets	70 379	17 164	17 012	35 553			140 108
Total non-current assets	70 379	17 164	17 012	35 553	–	–	140 108
Financial liabilities	(76 278)		(17 030)	(25 267)			(118 575)
Other liabilities	(442)		(37)	(1 467)			(1 946)
Total non-current liabilities	(76 720)		(17 067)	(26 734)	–	–	(120 521)
Net assets	(4 551)	17 083	374	9 507	(3)	–	22 410
Summarised statement of comprehensive income							
Revenue	4 633		1 296	2 222	210	92	8 453
Depreciation and amortisation	(31)			(3)			(34)
Interest income	5	1 032	6	9			1 052
Income expense	(5 476)	(17)	(1 013)	3 629	(210)	(92)	(3 179)
Pre-tax profit from continuing operations	(869)	1 015	289	5 857	–	–	6 292
Income tax expense	(206)	(139)	(138)	(865)	–		(1 348)
Post-tax profit from continuing operations	(1 075)	876	151	4 992	–	–	4 944
Post-tax profit from discontinued operations							–
Other comprehensive income	126	16 130	(180)	(43)			16 033
Total comprehensive income	(949)	17 006	(29)	4 949	–		20 977
Dividends received from joint venture		200					200
Reconciliation to carrying value							
Opening net assets	(3 602)	77	403	4 558	(3)		1 433
Acquisition of joint venture							
Acquisition of joint venture – present value estimate of contingent consideration							
Profit for the period	(1 075)	876	151	4 992	–		4 944
Other comprehensive income	126	16 130	(180)	(43)			16 033
Closing net assets	(4 551)	17 083	374	9 507	(3)	–	22 410
Interest in Joint venture @ 50%	(2 276)	8 542	187	4 754	(2)		11 205
Add back: other comprehensive income	153		(10)	(19)			123
Carrying value	(2 123)	8 542	177	4 734	(2)	–	11 328

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 28 February 2018

£'000	GROUP Inception (Reading) S.àr.l	Moolmoor Holdings Ltd	Moolmoor Investments Ltd	Moolmoor Waverley Ltd	Reading Site Services Ltd	Total
Current						
Cash and cash equivalents	766		1 032	1 847	54	3 699
Other current assets (excluding cash)	2 895	–	304	575	1	3 775
Total current assets	3 661	–	1 335	2 422	55	7 474
Financial liabilities (excluding trade payables)	(335)					(335)
Other current liabilities (including trade payables)	(1 672)	(14)	(288)	(1 032)	(58)	(3 065)
Total current liabilities	(2 007)	(14)	(288)	(1 032)	(58)	(3 400)
Non-current						
Assets	67 907	18 071	17 077	29 336		132 392
Total non-current assets	67 907	18 071	17 077	29 336		132 392
Financial liabilities	(72 877)	(17 980)	(17 649)	(25 588)		(134 093)
Other liabilities	(285)		(74)	(580)		(939)
Total non-current liabilities	(73 162)	(17 980)	(17 723)	(26 168)		(135 032)
Net assets	(3 602)	77	403	4 558	(3)	1 433
Summarised statement of comprehensive income						
Revenue	4 889		1 239	2 482	181	8 791
Depreciation and amortisation	(21)			–		(21)
Interest income		961				961
Income expense	(8 095)	(886)	(859)	2 821	(184)	(7 204)
Pre-tax profit from continuing operations	(3 227)	74	380	5 303	(4)	2 527
Income tax expense	(260)	(5)	(112)	(827)	1	(1 203)
Post-tax profit from continuing operations	(3 487)	69	268	4 477	(3)	1 323
Post-tax profit from discontinued operations						–
Other comprehensive income	376		139	82		597
Total comprehensive income	(3 112)	69	407	4 558	(3)	1 920
Dividends received from joint venture						
Reconciliation to carrying value						
Opening net assets	(490)	8	(5)			(487)
Profit for the period	(3 487)	69	268	4 477	(3)	1 323
Other comprehensive income	376		139	82		597
Closing net assets	(3 602)	77	403	4 558	(3)	1 433
Interest in Joint venture @ 50%	(1 801)	38	201	2 279	(2)	717
Add back: other comprehensive income	215		(25)	(41)		149
Carrying value	(1 586)	38	176	2 238	(2)	865

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 2019

5 Interests in joint venture (continued)

5.9 Details of joint operation:

Name of joint operation	Place of business/ country of incorporation	% ownership interest 2019	% ownership interest 2018	Value of net assets £'000 2019	Value of net assets £'000 2018
Mega Centre JV	Namibia	50	50	5 468	5 643

	GROUP	
	2019 £'000	2018 £'000
5.9.1 Summarised financial information for the joint operation		
Summarised balance sheet as at 28 February		
Current		
Cash and cash equivalents	71	308
Other current assets (excluding cash)	181	168
Total current assets	252	476
Financial liabilities (excluding trade payables)	(7 698)	(9 478)
Other current liabilities (including trade payables)	(154)	(366)
Total current liabilities	(7 852)	(9 844)
Non-current		
Assets	13 068	15 011
	13 068	15 011
Financial liabilities	–	–
Other liabilities	–	–
Total non-current liabilities	–	
Net assets	5 468	5 643
Summarised statement of comprehensive income for the year ended 28 February		
Revenue	1 767	1 895
Depreciation and amortisation	–	–
Interest income	15	4
Income expense	(1 234)	(1 547)
Pre-tax profit from continuing operations	548	352
Income tax expense	–	–
Post-tax profit from continuing operations	548	352
Post-tax profit from discontinued operations	–	–
Other comprehensive income	–	–
Total comprehensive income	548	352
Dividends received from joint venture	–	–

6 Interests in associates

6.1 Consisting of:

	2019	2018
Shares at cost plus attributable retained income	543	674
Financial assets – loans due from associates	6 488	8 484
	7 031	9 158
Loans due to associates	–	
	7 031	9 158

		GROUP	
		2019 £'000	**2018 £'000**
6.2	**Shares at cost plus attributable retained income**		
	At beginning of the year	674	2 790
	Share of profit	13	539
	Transfer to assets held for distribution		(2 684)
	Disposals	(47)	
	Transfer to subsidiary due to change in control	(12)	
	Foreign currency translation differences	(85)	29
		543	674
6.3	**Loans due from/(to) associates**		
	Steps Towers Property Investments (formerly Sand City Investments 34 (Pty) Ltd)	4 552	4 389
	The above unsecured loan accrues interest at Namibian prime plus 2% (2019: 12.50%). The loan is repayable on demand. There are no set terms of repayment.		
	Tradecol Investment Holdings (Pty) Ltd (formerly Oasis Mall Holdings (Pty) Ltd)	–	2 030
	The unsecured loan accrues interest at Namibian prime (2019: 10.5%). The associate was acquired via a share acquisition and is now a subsidiary.		
	Afrisaf Investment Holdings (Pty) Ltd	2 066	1 599
	The above unsecured loan accrues interest at South African prime (2019: 10.25%). The loan is repayable on demand. There are no set terms of repayment.		
	Oasis Mall Developments (Pty) Ltd	–	2
	The above loans is unsecured and bears no interest. The loan was repaid during the year.		
	Nguni Property Services (Pty) Ltd	–	222
	Ifana Investments (Pty) Ltd	314	242
	The unsecured loan accrues interest at the South African prime rate (2018: South African prime rate) and is repayable on demand.		
		6 932	8 484
	Less: Loss allowance	(444)	
		6 488	8 484
6.4	**Movements in loans due from/(to) associates**		
	Opening balance	8 484	12 049
	Reclassified due to change in control	(1 444)	(1 125)
	Loan advanced to associates	461	2 184
	Interest and other fees	870	934
	Loans repaid by associates	(367)	(2 228)
	Transfer to assets held for distribution – refer note 10		(3 342)
	Loss allowance	(444)	
	Foreign currency translation differences and forex losses	(1 072)	12
	Closing balance	6 488	8 484

6.5 Credit risk management practices and impairment assessment

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

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

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

There have been no changes in the measurement of expected credit losses during the year.

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

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

6 Interests in associates (continued)

6.6 Details of associates

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

Name of company	Place of business/ country of incorporation	% ownership interest 2019	% ownership interest 2018	Carrying amount 2019	Carrying amount 2018
Gondotrix (Pty) Ltd	South Africa		50.0	–	
Lendcor (Pty) Ltd	South Africa		49.9	–	
Lendcor Holdings (Pty) Ltd (previously Gondospot (Pty) Ltd)	South Africa		49.9	–	
Mettle Solar (Pty) Ltd and its subsidiaries	South Africa		55.0	–	–
Steps Towers Property Investments (Pty) Ltd (formerly Sand City Investment Thirty Four)	Namibia	50.0	50.0	484	552
Dunes Lifestyle Property (Pty) Ltd	Namibia	25.0	25.0	–	–
Tradecol Investment Holdings (Pty) Ltd (formerly Oasis Mall Holdings)	Namibia	–	44.0	–	12
Afrisaf Investment Holdings (Pty) Ltd	Namibia	50.0	50.0	59	68
Oasis Mall Developments (Pty) Ltd	Namibia	–	33.0	–	–
Probo JV (Pty) Ltd	Namibia	–	43.8	–	–
Greenstone Resorts (Pty) Ltd	Namibia	20.0	20.0	–	–
Nguni Property Services (Pty) Ltd	Namibia	–	50.0	–	42
Ifana Investments (Pty) Ltd	South Africa	50.0	50.0	–	–
				543	674

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

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

The investments in Gondotrix (Pty) Ltd, Lendcor (Pty) Ltd, Lendcor Holdings (Pty) Limited and Mettle Solar (Pty) Ltd were unbundled to shareholders during the year – refer note 10.3

The investments in Probo JV (Pty) Ltd and Tradecol Investment Holdings (Pty) Ltd were reclassified as subsidiaries during the year due to a change in control – refer note 2.10

The investments in Oasis Mall Developments (Pty) Ltd and Nguni Property Services were disposed of during the year

Steps Towers Property Investments (Pty) Ltd (formerly Sand City Investment Thirty Four)

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

Afrisaf Investment Holdings (Pty) Ltd

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

Ifana Investments (Pty) Ltd

Currently there is no contractual arrangement that outlines control of Ifana Investments (Pty) Ltd. The investments has been equity accounted as control is deemed to be with the other shareholder.

6.7 Contingent liabilities in respect of associates

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

6.8 Summarised financial information for associates

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

Summarised financial information for the year ended 28 February 2019

	Steps Towers Property Investments (Pty) Ltd (formerly Sand City Investment Thirty Four)
Summarised balance sheet	
Current	
Cash and cash equivalents	60
Other current assets (excluding cash)	9 497
Total current assets	9 557
Financial liabilities (excluding trade payables)	(8 821)
Other current liabilities (including trade payables)	(1 039)
Total current liabilities	(9 860)
Non-current	
Assets	5 215
Deferred tax	
	5 215
Financial liabilities	(4 750)
Deferred tax	
Total non-current liabilities	(4 750)
Net assets/(liabilities)	162
Summarised statement of comprehensive income	
Revenue	
Depreciation and amortisation	
Interest income	993
Operating expenses	(2 392)
Income expense	
Pre-tax profit from continuing operations	(1 399)
Income tax expense	116
Post-tax profit from continuing operations	(1 283)
Post-tax profit from discontinued operations	
Other comprehensive income	
Total comprehensive income	(1 283)
Dividends received from associate	
Reconciliation to carrying value	
Opening net assets	1 104
Profit for the period	
Transfer to assets held for distribution	
Foreign exchange differences	(136)
Closing net assets	968
Interest in associates	484
Goodwill	
Carrying value	484

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

6 Interests in associates (continued)

6.8 Summarised financial information for associates (continued)

Summarised financial information for the year ended 28 February 2018

	Steps Towers Property Investments (Pty) Ltd (formerly Sand City Investment Thirty Four)
Summarised balance sheet	
Current	
Cash and cash equivalents	41
Other current assets (excluding cash)	6 075
Total current assets	6 116
Financial liabilities (excluding trade payables)	(13 887)
Other current liabilities (including trade payables)	(30)
Total current liabilities	(13 917)
Non-current	
Assets	15 538
Deferred tax	
	15 538
Financial liabilities	(7 078)
Deferred tax	(44)
Total non-current liabilities	(7 123)
Net assets/(liabilities)	614
Summarised statement of comprehensive income	
Revenue	570
Depreciation and amortisation	
Interest income	229
Operating expenses	(1 066)
Income expense	1 243
Pre-tax profit from continuing operations	975
Income tax expense	2
Post-tax profit from continuing operations	977
Post-tax profit from discontinued operations	
Other comprehensive income	
Total comprehensive income	977
Dividends received from associate	
Reconciliation to carrying value	
Opening net assets	74
Profit for the period	977
Transfer to assets held for distribution	
Foreign exchange differences	53
Closing net assets	1 104
Interest in associates	552
Goodwill	
Carrying value	552

		GROUP	
		2019 £'000	2018 £'000
6.9	**Individually immaterial associates**		
	In addition to the interests in associates disclosed above, the group also has interests in a number of individually immaterial associates that are accounted for using the equity method.		
	Aggregate carrying amount of individually immaterial associates	59	122
	Aggregate amounts of the group's share of		
	– Profit/(loss) from continuing operations	(6 235)	(4 239)
	Total comprehensive income	(6 235)	(4 239)
7	**Loans receivable**		
7.1	**Consisting of:**		
	Loans and receivables with key persons – refer note 7.3	2 298	2 379
	Loans and receivables – refer note 7.4	8 344	754
		10 642	3 132
	Non-current	9 770	2 379
	Current	872	754
		10 642	3 132
7.2	**Movement in loans receivable**		
	Opening balance	3 132	2 214
	Loans granted	580	2 468
	Interest	599	219
	Repayments	(846)	(100)
	Transfer from/(to) assets held for distribution	7 470	(1 657)
	Loss allowance	(7)	
	Foreign currency translation differences	(286)	(12)
	Closing balance	10 642	3 132
7.3	**Loan receivables from key persons – non-current**		
	AS Trust (FH Esterhuyse) – shares	1 465	1 571
	Eastwick Road Ltd (D Wheble) – 10% of The Boutique Workplace Company Ltd	833	807
		2 298	2 379

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

Interest is charged at the Standard Bank Prime rate less 3% and is to be paid from distributions.

The loan is secured by cession and pledge of 2 646 076 shares in the company and is considered a full recourse loan. The loan is repayable on 20 June 2020.

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

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

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP	
		2019 £'000	2018 £'000
7	**Loans receivable (continued)**		
7.4	**Other loan receivables**		
	Loan to Reward Investments (No2) Ltd – non-current	7 472	
	Loans to Collins South Africa sellers – current	454	182
	Africol Namibia – current	152	411
	Other – current	266	161
		8 344	754

Reward Investments (No2) Ltd is a former subsidiary, of which 90% was disposed during the year – refer note 10.3

The unsecured loan accrues interest at 3 month LIBOR plus 6% and is repayable on or any time before 28 May 2020.

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.

7.5 Credit risk management practices and impairment assessment

Loans due from key persons, Reward Investments (No2) and related parties at amortised cost are considered to have low credit risk, and the impairment assessment was therefore limited to 12 months expected losses. Management consider "low credit risk" for loans receivable to be when they have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, or the receivables are secured by assets with values that exceed the loan balance.

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

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

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

There have been no changes in the measurement of expected credit losses during the year.

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

		2019 £'000	2018 £'000
8	**Deferred taxation**		
	Deferred taxation assets	11 811	11 678
	Deferred taxation liabilities	(43 616)	(52 313)
	Net deferred taxation	(31 805)	(40 635)
8.1	**Deferred taxation assets**		
	Comprising temporary differences attributable to:		
	Tax losses carried forward	9 607	10 887
	Property, plant and equipment	1 347	
	Deferred revenue	26	32
	Doubtful debts	76	51
	Financial assets at fair value through profit or loss	45	
	Other provisions and liabilities	710	708
		11 811	11 678

Significant estimates

The deferred tax assets include an amount of £6.3 million which relates to the carried forward tax losses of Imbali Props 21 (Pty) Ltd, Saddle Path Props 69 (Pty) Ltd and their subsidiaries. The subsidiaries have incurred losses relating to the letting of immovable property.

The deferred tax assets include an amount of £1.6 million which relates to the carried forward tax losses of various UK investment property owning subsidiaries.

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

		GROUP	
		2019 £'000	2018 £'000
8.2	**Movement in deferred taxation assets**		
	Balance at beginning of the year	11 678	10 961
	Income tax charge – refer note 26.2	1 334	1 050
	Increase in tax losses available for set-off against future taxable income	(117)	19
	On acquisition/(disposal) of subsidiaries		(142)
	Transfer to assets held for distribution		(134)
	Other	67	(62)
	Functional currency translation differences – recognised through other comprehensive income	(1 151)	(14)
	Balance at end of the year	11 811	11 678
8.3	**Deferred taxation liabilities**		
	Comprising temporary differences attributable to:		
	Provisions and accruals		
	Investment property	(42 010)	(50 732)
	Lease straight-lining	(128)	(279)
	Property, plant and equipment	(1 417)	(1 409)
	Prepayments	(12)	(11)
	Assets held for sale	(49)	(258)
	Disposal of subsidiary		376
		(43 616)	(52 313)
8.4	**Movement in deferred taxation liabilities**		
	Balance at beginning of the year	(52 312)	(45 570)
	Income tax charge – refer note 26.2	(1 511)	(7 560)
	On acquisition/(disposal) of subsidiaries	4 537	376
	Functional currency translation differences – recognised through other comprehensive income	5 671	414
	Other		27
	Balance at end of the year	(43 616)	(52 313)
8.5	Portion of deferred tax asset to be realised within twelve months	31	306
8.6	**Unutilised assessed losses at the beginning of the year**	9 943	18 352
	Losses incurred during the year	6 427	4 267
	Utilised during the year	(4 289)	(951)
	Foreign currency translation movements	(1 050)	(838)
	Unutilised assessed losses at the end of the year	11 031	20 830
	Assessed losses applied in the provision for deferred tax	(9 607)	(10 887)
	Assessed losses to be applied in reduction of future taxable income	1 424	9 943

9 Financial assets at fair value through profit and loss

		GROUP	
		2019 £'000	2018 £'000
9.1	**Consisting of:**		
	Investment in DV4 Ltd	4 882	5 886
	Investment in Mettle Investments Ltd	27	–
	Investment in Capricon Corporate Fund	53	–
	Investment in Reward Investments (No.2) Ltd	2 586	–
	Financial assets at fair value through profit or loss	7 548	5 886

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP	
		2019 £'000	2018 £'000
9	**Financial assets at fair value through profit and loss (continued)**		
9.1	**Consisting of (continued):**		
9.1.1	24 982 504 (2018: 24 987 502) A Shares in DV4 Ltd designated at fair value through profit or loss; 585 532 (2018: nil) ordinary shares in Mettle Investments Limited designated at fair value through profit or loss; 991 728 unit trusts held in Capricon Corporate Fund (Class B).		
	At beginning of year	5 886	5 924
	Acquisition	80	–
	Fair value gain/(loss)	191	(38)
	Distribution received (return of capital)	(1 195)	–
	At end of year	4 962	5 886
9.1.2	10% (2018: 100%) Ordinary Shares in Reward Investments (No.2) Ltd designated at fair value through profit or loss		
	Reclassified upon disposal of 90% of subsidiary as part of unbundling – refer note 10.3	2 586	–
9.2	As significant judgement was exercised by management in determining the fair value using inputs that are based on unobservable market data, the investments were classified as a Level 3 financial asset for the year ended 28 February 2019 – refer note 33.9		
9.3	**Analysis of total financial assets:**		
	Non-current	–	–
	Current	7 548	5 886
		7 548	5 886
10	**Net assets held for sale or distribution and discontinued operations**		
10.1	**Consisting of:**		
	Investment property held for sale – refer note 10.2	893	1 271
	Current assets held for distribution – refer note 10.2	–	76 091
	Current liabilities held for distribution – refer note 10.3	–	(58 688)
		893	18 674

10.2 Three properties, known as King Williams Town – Cathcart Street 70, Prospect Street 2 and Sarlin – Unit 11 of Quarry Workshop Body Corporate, were subject to an unconditional sale but not disposed of at February 2019 for R16.6 million, and each property has been valued at its selling price at reporting date.

10.3 During the financial year the group restructured its business to strengthen the focus on its core property markets in the UK and South Africa. Its financial services businesses were unbundled and listed separately. Tradehold shareholders received shares in the new company, Mettle Investments Ltd, equal to the number of shares held in Tradehold. Although the financial services businesses are at this stage still relatively small, they are considered an effective platform for growth both organically and through acquisitions.

The unbundling transaction completed on 28 May 2018.

Tradehold Limited distributed it's investments in Mettle Investments Limited to it's shareholders as a capital distribution. The investment was distributed at its fair value of R604 389 676 resulting in a gain on disposal of R61 910 400 recognised in profit and loss. The net assets distributed of the group amounted to £36 423 499.

In the previous financial year, the unbundling transaction resulted in Tradehold classifying its investments in Reward group, Mettle group and Tradehold Solar as disposal groups held for distribution in line with the requirements of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. The assets and liabilities attributable to the Reward, Mettle and Tradehold Solar groups, classified as held for distribution, were separately disclosed in the statement of financial position. In addition, the Reward, Mettle and Tradehold Solar groups qualified as discontinued operations as they were components of Tradehold that had been classified as held for distribution, and represented a separate major line of business. In line with the requirements of IFRS 5, the income and expenses relating to Reward, Mettle and Tradehold Solar were presented in the income statement and statement of other comprehensive income as a single amount as after tax profit and other comprehensive income relating to discontinued operations.

	GROUP	
	2019 £'000	**2018 £'000**
Income and expenses comprising profit from operations held for distribution		
Revenue	2 909	10 774
Other operating income	205	61
Gain on disposal and scrapping of PPE (excluding buildings)		
Employee benefit expenses	(482)	(2 209)
Lease expenses		(72)
Depreciation, impairment and amortisation	(8)	(37)
Other operating costs	(698)	(1 651)
Trading profit/(loss)	1 926	6 866
Gain on disposal of investments		53
Gain on revaluation of investment		
Fair value loss on financial assets at fair value through profit or loss	(804)	72
Operating profit/(loss)	1 122	6 991
Finance income	12	631
Finance cost	(614)	(1 507)
Interets paid to group		(1 243)
Earnings from joint venture		(14)
Earnings from associated companies	28	259
Profit before taxation	548	5 117
Taxation	(252)	(1 058)
Profit for the year before non-controlling interest	296	4 059
Non-controlling interest	(2)	(15)
Other comprehensive income	(1 075)	(934)
Total comprehensive (loss)/income attributable to owners of the parent	(781)	3 110
Cash flow information		
Cash flow from operating activities		4 198
Cash flow from investing activities		(32 384)
Cash flow from financing activities		29 559
Total cash flows	–	1 373
Assets and liabilities comprising current assets and current liabilities held for distribution		
Assets		
Property, plant and equipment		89
Financial assets		1 920
Intangible assets		2 580
Investment in joint venture		435
Investments in associates		3 265
Loans to associates		2 494
Loans receivable		4 681
Deferred taxation		74
Assets held for resale		
Trade and other receivables		55 516
Cash and cash equivalents		5 037
Total assets	–	76 091

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP 2019 £'000	GROUP 2018 £'000
10	**Net assets held for sale or distribution and discontinued operations (continued)**		
	Liabilities		
	Long-term borrowings		31 979
	Deferred taxation		23
	Contingent consideration		
	Trade and other payables		1 416
	Short-term borrowings		2 938
	Loans from group		21 840
	Taxation		409
	Bank overdrafts		83
	Total liabilities	—	58 688
	Net assets of disposal group held for sale	—	17 403
	Non-controlling interest of the operations held for distribution	—	1 162
11	**Trade and other receivables**		
	Trade receivables – refer note 11.1	1 269	5 150
	Other receivables – refer note 11.2	6 695	11 713
		7 964	16 864
11.1	**Trade receivables in respect of:**		
	Outstanding rent	1 811	5 310
	Less: Loss allowance	(542)	(160)
		1 269	5 150
11.2	**Other receivables**		
	Proceeds due on sale of South Africa investment property	1 615	7 642
	Service charge receivables	1 216	—
	Indirect taxes receivable	3 567	3 868
	Other receivables	665	203
		7 063	11 713
	Less: Loss allowance – indirect taxes receivable	(368)	—
		6 695	11 713

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

		GROUP 2019 £'000	GROUP 2018 £'000
11.3	**Analysis of total trade and other receivables**		
	Non-current assets	—	—
	Current assets	7 964	16 864
		7 964	16 864

11.4 Credit risk management practices and impairment assessment

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

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

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

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

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

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

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

On that basis, the loss allowance as at 28 February 2019 and 1 March 2018 (on adoption of IFRS 9) was determined as follows for trade and other receivables:

28 February 2019	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate %	–	7%	69%	22%	3%
Gross carrying amount – trade receivables	896	342	114	459	1 811
Gross carrying amount – other receivables	4 068			2 994	7 062
Loss allowance	42	24	78	765	910

1 March 2018	Current	More than 30 days past due	More than 60 days past due	More than 120 days past due	Total
Expected loss rate %	–	5%	25%	5%	1%
Gross carrying amount – trade receivables	4 488	338	218	266	5 310
Gross carrying amount – other receivables	9 391			2 322	11 713
Loss allowance	26	18	54	63	160

	GROUP 2019 £'000	GROUP 2018 £'000
The closing loss allowances for trade and other receivables reconciles to the opening loss allowance as follows:		
Opening loss allowance	160	1 057
Increase in loss allowance recognised in profit or loss during the year	943	160
Receivables written off during the year as uncollectible	(195)	(68)
Transfer to assets held for distribution		(989)
Unused amount reversed	2	
At 28 February 2019	910	160

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP 2019 £'000	GROUP 2018 £'000
11	**Trade and other receivables (continued)**		
11.5	**The ageing of trade receivables are as follows:**		
	Neither past due nor impaired	240	256
	30 days	428	4 921
	60 days	30	35
	Past due but not impaired		–
	30 days past due	385	–
	60 days past due	31	–
	90 days past due	182	21
	More than 90 days past due	515	77
	Impaired	(542)	(160)
	Total gross balance	1 269	5 150
11.6	**Credit quality of trade receivables (net of provisions)**		
	Trade receivables without external credit rating:		
	Group 1	5	1
	Group 2	931	5 109
	Group 3	333	40
		1 269	5 150

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

		GROUP 2019 £'000	GROUP 2018 £'000
11.7	The carrying amount of trade and other receivables are denominated in the following currencies:		
	Pound Sterling	2 305	1 172
	Rand	2 060	5 478
	USD	2 702	9 994
	Namibian Dollar	897	209
	Other – Swiss franc/Euro		11
		7 964	16 864
12	**Other assets**		
	Lease incentives	3 401	3 844
	Rent-free prepayments	2 126	2 312
	Prepayments	2 864	2 336
	Rent prepayments	1 712	1 337
	Rental deposits	4 243	3 716
	Loan arrangement fees and deferred finance charges	2 977	3 676
		17 323	17 221
12.1	Analysis of total other assets		
	Non-current assets	858	1 337
	Current assets	16 465	15 884
		17 323	17 221
12.2	The carrying amount of other current assets are denominated in the following currencies:		
	Pound Sterling	15 556	16 456
	Rand	1 640	765
	USD	85	
	Namibian Dollar	42	
		17 323	17 221

COMPANY 2018 R'000	COMPANY 2019 R'000			GROUP 2019 £'000	GROUP 2018 £'000
		13	**Cash and cash equivalents**		
		13.1	**Consisting of:**		
1 443	1 808		Cash at bank and on hand	10 684	14 663
			Short term bank deposits	1 935	1 734
			Cash as security for borrowings	277	
1 443	1 808			12 896	16 397
			Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
1 443	1 808		Cash and cash equivalents	12 896	16 397
—	—		Bank overdrafts	(638)	(514)
1 443	1 808			12 258	15 883
		13.2	Carrying amount of cash and cash equivalents are denominated in the following currencies:		
2	2		Pound Sterling	5 733	6 178
1 160	1 564		Rand	2 815	2 346
—	—		USD	1 351	5 123
			Namibian Dollar	127	456
			Zambian Kwacha	694	666
			Mozambique New Metical	1 088	1 046
281	242		Other (Euro/Swiss Franc)	450	68
1 443	1 808			12 258	15 883
		14	**Ordinary share capital**		
		14.1	**Authorised:**		
	—		310 000 000 (2018: 310 000 000) ordinary shares of no par value	—	
		14.2	**Issued:**		
3 736 210	3 097 001		253 220 966 (2018: 247 174 375) ordinary shares of no par value	220 392	260 102
			Share premium		
3 736 210	3 097 001			220 392	260 102
		14.3	**Reconciliation of number of shares issued:**		
247 092 926	247 174 375		Balance at beginning of the year	247 174 375	247 092 926
81 449			Issue of shares to Cape Messum Trust in setlement of deferred consideration for acquisition of Pointbreak – ordinary shares	—	81 449
—	6 046 591		Issue of ordinary shares on 19 June 2018 – dividend reinvestment options exercised	6 046 591	—
247 174 375	253 220 966		Balance at end of the year	253 220 966	247 092 926

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

COMPANY 2018 R'000	COMPANY 2019 R'000			GROUP 2019 £'000	GROUP 2018 £'000
		15	**Other equity and reserves**		
		15.1	**Treasury shares**		
			Opening balance	124	–
			Repurchased during the year	1 278	124
			Closing balance	1 402	124
			The company acquired 1 709 660 (2018: 87 231) of its own shares through purchases on the JSE by its wholly owned subsidiary, Imbali Props 21 (Pty) Limited during the year, and now holds a total of 1 796 891 own shares. The total amount paid to acquire the shares was £1.3 million (R23.8 million) and has been deducted from shareholders's equity.		
		15.2	**Non-distributable reserves**	(5 568)	13 744
			Foreign currency translation reserve	(5 646)	13 851
			Cash flow hedging reserve – refer note 14.4	77	(184)
			Capital redemption reserve fund	1	77
		15.3	**Distributable reserve**		
(169 665)	(129 820)		(Accumulated loss)/retained earnings	72 337	50 898
(169 665)	(129 820)			66 769	64 642
			During the year a dividend of £6 888 073 (2018: £1 500 789) was declared and paid out of share premium as approved by the board of directors. The Rand equivalent of this declaration was R123 587 188 (2018: R24 709 293).		
			Dividends of £4 878 875 were subsequently re-invested by shareholders under dividend reinvestment options exercised. The Rand equivalent of the reinvestment was R88 767 707 (2018: nil).		
		15.4	**Cash flow hedging reserve**		
			Balance at beginning of the year	(184)	(400)
			Other comprehensive income for the year	261	246
			Attributable to minority share		(30)
				77	(184)

	GROUP 2019 £'000	GROUP 2018 £'000
16 Non-contolling interest		
The Boutique Workplace Company Ltd	9	125
Reward Finance Group Ltd	—	1 183
Atterbury Matola Limitada	379	(151)
Atterbury Pemba Properties Limited	756	319
Cognis 1, Limitada	—	3 685
Other Tradehold Africa group subsidiaries	(2 068)	(856)
TradeCol Investment Holdings (Pty) Ltd	20	—
Dimopoint (Pty) Ltd	10 130	8 881
Applemint 24 (Pty) Ltd	432	296
Seculotte Trading 7 (Pty) Ltd	278	401
Other Collins South Africa group subsidiaries	(65)	(25)
	9 871	13 858

16.1 Disposal of subsidiary

On 31 May 2018 Tradehold Africa Limited disposed of it's entire interest in TC Maputo Properties Limited to Grit Real Estate Income Group for $8 199 196.

The effect on the equity attributable to owners during the year is summarised as follows:

	2019 £'000	2018 £'000
Carrying amount of non-controlling interests disposed of	3 706	

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

16 Non-controlling interest (continued)

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

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

£'000	Dimo-point (Pty) Ltd 2019	2018	Apple-mint 24 (Pty) Ltd 2019	2018	Cognis 1, Limitada 2019	2018	Seculotte Trading 7 (Pty) Ltd 2019	2018	The Boutique Workplace Company Ltd 2019	2018
Summarised balance sheet										
Current										
Assets	1 207	3 440	170	102		3 898	123	429	7 989	5 941
Liabilities	(1 985)	(356)	(212)	(113)		(8 083)	(1 610)	(4 276)	(9 781)	(7 267)
Total current net assets	(778)	3 084	(42)	(11)		(4 185)	(1 487)	(3 847)	(1 792)	(1 326)
Non-current										
Assets	84 494	96 180	6 538	6 920		44 807	5 345	5 972	16 030	16 693
Liabilities	(51 139)	(66 171)	(5 199)	(5 889)		(23 674)	(3 396)	(1 397)	(14 145)	(14 120)
Total non-current net assets	33 355	30 009	1 339	1 031		21 133	1 949	4 575	1 885	2 573
Net assets	32 577	33 093	1 297	1 020		16 948	462	728	93	1 247
Summarised income statement										
Revenue	10 811	11 362	770	721		4 045	716	478	21 403	18 273
Profit/(loss) before taxation	4 713	5 460	501	(314)		8 234	(288)	958	(1 313)	(1 194)
Taxation	(487)	(1 318)	(93)	66		(2 287)	106	(205)	158	(116)
Other comprehensive income/(loss)		—		—						
Total comprehensive income/(loss)	4 226	4 142	408	(248)		5 947	(182)	753	(1 155)	(1 310)
Total comprehensive income/(loss) allocated to non-controlling interests	979	792	127	(77)		2 379	(118)	466	(115)	(131)
Distributions paid to non-controlling partners	(145)	(451)					—	—	—	(25)
Summarised cash flows										
Net cash (used in)/generated from operating activities	884	492	113	(116)		(119)	(25)	18	1 562	283
Net cash used in investing activities	4 593		(1)	(27)		12	(339)	(356)	(1 478)	(3 379)
Net cash generated from financing activities	(5 607)	99	(40)	132		569	107	378	140	3 800
Net decrease in cash and cash equivalents	(130)	591	72	(11)		462	(257)	40	224	704
Cash and cash equivalents at beginning of the year/date of business combination	1 248	625	65	76		396	377	335	1 587	883
Effect of changes in exchange rate	(150)	32	(10)	—		—	(37)	2	—	—
Cash and cash equivalents at end of the year	968	1 248	127	65		858	83	377	1 811	1 587

The amounts shown above are before inter-company eliminations.

COMPANY			GROUP	
2018 R'000	**2019 R'000**		**2019 £'000**	**2018 £'000**
		17 Preference share liability		
		17.1 Authorised:		
		131 750 000 (2018: 131 750 000) non-convertible, non-participating, non-transferable redeemable preference shares of no par value		
		65 000 000 (2018: 65 000 000) cumulative, redeemable "A" preference shares of no par value		
		40 000 000 (2018: 40 000 000) "B" unspecified preference shares of no par value		
		17.2 Issued:		
1 017	1 049	104 878 282 (2018: 101 697 437) non-convertible, non-participating, non-transferable redeemable preference shares of no par value – Titan Share Dealers – refer note 16.3.	56	62
1 146 885	1 130 065	1 116 632 (2018: 1 134 790) cumulative redeemable "B" preference shares of R1 000 each – issued to FirstRand Bank Ltd acting through its Rand Merchant Bank division – refer note 16.4 and 32.9.	60 823	70 488
1 147 902	1 131 114		60 879	70 550

17.3 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.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

COMPANY 2018 R'000	COMPANY 2019 R'000			GROUP 2019 £'000	GROUP 2018 £'000
		17	**Preference share liability (continued)**		
		17.4	The 1 116 632 cumulative redeemable "B" preference shares were issued to FirstRand Bank Ltd acting through its Rand Merchant Bank division and listed on the JSE on 18 December 2018.		
			Dividends are calculated quarterly at a rate of 72% of 3 month ZAR JIBAR plus 3% and payable quarterly. Capital of approximately 1% of the subscription amount is redeemed semi-annually, with the remaining balance redeemable on 20 December 2021.		
—	1 146 885		Balance at beginning of the year	70 488	—
1 134 790	(18 158)		(Repaid)/drawn during the year	(1 017)	62 968
—	—		Foreign exchange movement	(8 724)	6 815
(6 131)	1 617		Deferred finance charges	91	(357)
18 226	91 014		Interest accrued	5 099	1 062
—	(91 293)		Interest paid	(5 114)	
1 146 885	1 130 065		Balance at end of the year	60 823	70 488
20 000	20 428		Short term portion (repayable on 18 June 2019 and 17 December 2019)	1 099	1 229

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 19

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

18 Long-term borrowings

18.1 Consisting of:

	GROUP 2019 £'000	GROUP 2018 £'000
Financial liabilities at amortised cost	410 939	481 981

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.

18.1.1 HSBC loan (The Boutique Workplace Company Limited) – secured

	GROUP 2019 £'000	GROUP 2018 £'000
Balance at beginning of the year	6 107	4 821
Drawn during the year	—	2 240
Repaid during the year	(885)	(1 169)
Interest	242	215
Balance at end of the year	5 464	6 107

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 capital is repayable in August 2022.

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.

		GROUP	
		2019 £'000	2018 £'000
18.1.2	**Canada Life**		
	Balance at beginning of the year	32 730	–
	Drawn during the year	106	32 736
	Repaid during the year	(1 697)	(424)
	Interest	1 205	418
	Balance at end of the year	32 344	32 730

On 19th October 2017 Moorgarth Property (Luxembourg) S.à r.l, Wandle Point Management Ltd, Inception Living S.à r.l and Moorgarth Maple Limited entered into a loan facility of £35 712 000 with Canada Life. £32 736 000 of the 10 year facility was drawn down on 26th October and enabled the repayment of both Inception Living S.à r.l's and Wandle Point Management's existing loans with HSBC.

Interest on the loan facility is fixed at 3.41% over the term of the loan.

Interest is paid on a quarterly basis in line with a schedule to the facility agreement.

Capital repayments are also made on a quarterly basis in line with a schedule to the facility agreement.

During the term of the facility £5 712 000 of capital is repaid and the remaining capital balance of £30 000 000 is repayable in October 2027.

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

		2019 £'000	2018 £'000
18.1.3	**Shandon Investments Ltd – Unsecured.**		
	Balance at beginning of the year	149	152
	Drawn during the year		
	Repaid during the year	(3)	(8)
	Interest	5	5
	Balance at end of the year	151	149

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 in June 2021.

		2019 £'000	2018 £'000
18.1.4	**HSBC (Moorgarth Living Ltd) – secured**		
	Balance at beginning of the year	6 977	6 965
	Drawn during the year	2 760	–
	Repaid during the year	(187)	(142)
	Interest	194	154
	Balance at end of the year	9 744	6 977

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

Interest is calculated daily at an annual rate of 2.10% + 3 month LIBOR and payable quarterly, with the full outstanding capital amount to be settled in October 2023.

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP	
		2019 £'000	2018 £'000
18	**Long-term borrowings (continued)**		
18.1	**Consisting of (continued):**		
18.1.5	**HSBC (Inception Euston S.à r.l)**		
	Balance at beginning of the year	8 574	—
	Drawn during the year	—	8 550
	Repaid during the year	(224)	(49)
	Interest	232	73
	Balance at end of the year	8 582	8 574

On 17 October 2017 Inception Euston S.à r.l (a subsidiary of Moorgarth Holdings (Luxembourg) S.à r.l) entered into a 3 year loan facility of £9 460 000 with HSBC, to fund the acquisition of a commercial property known as Connolly Works, 41-43 Chalton Street, London.

Interest is calculated daily at an annual rate of 1.9% + 3 month LIBOR and payable quarterly, with the full outstanding capital amount to be settled in March 2024.

The loan is wholly secured by a debenture over Inception Euston S.à r.l including a fixed charge over all property and assets owned by the company.

		2019 £'000	2018 £'000
18.1.6	**Standard Bank – secured**		
	Balance at beginning of the year	25 938	24 834
	Drawn during the year		4 851
	Repaid during the year	(22 829)	(2 901)
	Interest	815	1 779
	Foreign currency translation differences	1 050	(2 625)
	Balance at end of the year	4 974	25 938

Cognis 1, Limitada, which owned Acacia Estate, a corporate residential development in Maputo in Mozambique, was disposed of during the year, and the disposal proceeds applied to settle its secured loan from Standard Bank.
On 11 September 2017 Pemba Investment Company Limitada drew down on an USD11 000 000 facility with Standard Bank. Interest is calculated at an annual rate of Libor + 5.5% and is repayable quarterly, with the full outstanding capital due to be settled in March 2023.

The loan is secured by a corporate guarantee of USD8.8 million.

Due to non-compliance with some loan covenants at the financial year end, the loan has been classsified as current – refer note 33.8

		2019 £'000	2018 £'000
18.1.7	**Mauritius Commercial Bank – secured**		
	Balance at beginning of the year	94	132
	Repaid during the year	(80)	(77)
	Interest	19	36
	Foreign currency translation differences	2	3
	Balance at end of the year	35	94

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

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

		GROUP	
		2019 £'000	2018 £'000
18.1.8	**First National Bank South Africa – secured**		
	Balance at beginning of the year	4 219	4 635
	Drawn during the year	—	—
	Repaid during the year	(310)	(319)
	Interest	235	397
	Foreign currency translation differences	170	(494)
	Balance at end of the year	4 314	4 219

In August 2016 Attebury Matola Limitada entered into a 5 year term loan of up to USD6 000 000 to puchase a property in Maputo.

Interest is calculated daily at an annual fixed rate of 7.756847% LIBO1 NACM on the USD5.5 million and an annual fixed rate of 8.226% LIBO1 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.

		2019 £'000	2018 £'000
18.1.9	**Nedbank South Africa – secured**		
	Balance at beginning of the year	22 200	23 312
	Drawn during the year		
	Repaid during the year	(3 012)	(3 300)
	Interest	1 934	2 178
	Foreign currency translation differences	(2 834)	10
	Balance at end of the year	18 288	22 200

Interest is calculated daily at an annual rate of South African Prime less 0.25% (10.00%) and payable monthly.

Capital of N$22 441 145 is payable within 12 months and the remaining balance in similar annual instalments, with a final repayment date of 31 March 2026.

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

		2019 £'000	2018 £'000
18.1.10	**Investec Bank Ltd – secured**		
	Balance at beginning of the year		
	Acquired through change in control	3 464	
	Drawn during the year	2 027	
	Repaid during the year	(134)	
	Interest	336	
	Foreign currency translation differences	(14)	
	Balance at end of the year	5 679	—

Interest is calculated daily at an annual rate of South African Prime (10.25%) and is payable monthly. The loan is in the process of being converted to a term loan as the development, known as Gobabis Shopping Centre, is now complete. The repayment date of the term loan is expected to be May 2021.

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP	
		2019 £'000	2018 £'000
18	**Long-term borrowings (continued)**		
18.1	**Consisting of: (continued)**		
18.1.11	**Nedbank South Africa**		
	Balance at beginning of the year	265 466	268 138
	Acquired through business combination		3 818
	Drawn during the year	49 831	8 669
	Repaid during the year	(86 522)	(43 628)
	Interest	26 351	28 173
	Foreign currency translation differences	(34 026)	296
	Balance at end of the year	221 100	265 466

Interest is calculated monthly across multiple facilities at rates from the South African prime rate less 0.75% to the South African prime rate. In addition certain facilities are at a fixed rates ranging from 10.32% to 13.30%. All interest is payable monthly.

Capital of ZAR 27.3 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment dates ranging from 3 August 2020 to 3 December 2029.

The 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 Tradegro Holdings (Pty) Ltd.

		2019 £'000	2018 £'000
18.1.12	**Nedbank South Africa preference shares**		
	Balance at beginning of the year	10 036	10 083
	Acquired through business combination		—
	Repaid during the year	(849)	(994)
	Interest	884	942
	Foreign currency translation differences	(1 282)	5
	Balance at end of the year	8 789	10 036

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

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

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

		GROUP	
		2019 £'000	2018 £'000
18.1.13	**Investec Bank Limited South Africa**		
	Balance at beginning of the year	65 708	58 178
	Acquired through business combination	—	—
	Drawn during the year	16 545	95 067
	Repaid during the year	(10 872)	(93 703)
	Interest	6 250	6 102
	Foreign currency translation differences	(8 412)	64
	Balance at end of the year	69 219	65 708

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 rate of 10.40%. All interest is payable monthly.

Capital of ZAR 0.9 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment dates ranging from 1 March 2022 to 11 May 2026.

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

		2019 £'000	2018 £'000
18.1.14	**Sanlam South Africa**		
	Balance at beginning of the year	3 726	3 966
	Acquired through business combination	—	—
	Repaid during the year	(556)	(585)
	Interest	307	345
	Foreign currency translation differences	(474)	—
	Balance at end of the year	3 003	3 726

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

Capital of ZAR 6.3 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment date on 1 September 2023.

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

		2019 £'000	2018 £'000
18.1.15	**Absa Bank South Africa**		
	Balance at beginning of the year	50	55
	Acquired through business combination	—	—
	Drawn during the year	—	53
	Repaid during the year	(11)	(63)
	Interest	4	5
	Foreign currency translation differences	(6)	—
	Balance at end of the year	37	50

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

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP 2019 £'000	GROUP 2018 £'000
18	**Long-term borrowings (continued)**		
18.1	**Consisting of (continued):**		
18.1.16	**Rand Merchant Bank South Africa**		
	Balance at beginning of the year	30 007	29 173
	Drawn during the year	27 083	—
	Repaid during the year	(36 922)	(2 159)
	Interest	2 889	2 966
	Foreign currency translation differences	(3 842)	27
	Balance at end of the year	19 215	30 007

Interest is calculated at a monthly rate of South African prime rate less 1.5% and at a fixed rate of 10.47%, and all interest is payable monthly.

The capital is repayable on 5 February 2022.

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

		2019 £'000	2018 £'000
18.2	The group has access to the following undrawn borrowing facilities at the end of the reporting period:		
	Expiring beyond one year:		
	Investec Bank Limited South Africa	—	998
	Canada Life	2 871	2 976
		2 871	3 974
18.3	**Analysis of long-term borrowings:**		
	Non-current	401 101	472 384
	Current – refer note 22.1	9 838	9 597
		410 939	481 981
19	**Derivative financial instruments**		
19.1	**Consisting of:**		
	Designated as a cash flow hedge – refer note 19.2	60	224
	Fair value through profit and loss – held for trading – refer note 19.3	2 236	(5 847)
	Fair value through profit and loss – held for trading – refer note 19.4	(8 286)	—
		(5 990)	(5 623)

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

		GROUP	
		2019 £'000	2018 £'000
19.2	**RMB – secured**		
	Market to market value of interest rate swap	60	224
	Balance at beginning of the year	224	532
	Drawn during the year		
	Interest		
	Repaid during the year		
	Revaluation		
	Mark-to-market adjustments – recognised through other comprehensive income	(164)	(308)
	Foreign currency translation differences		
	Balance at end of the year	60	224

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 28 February 2018 which showed a potential loss of £285 558 if the group broke the swap. The swap contract expired in the year on 24 December 2018.

On 16 November 2018 Moorgarth Living Ltd entered into an interest rate swap, whereby the interest rate on 70% of the notional drawn balance was fixed at 1.48%, meaning that the total cost of funds is 3.58% on £5 300 000 of the loan, with the balance at the HSBC rate. HSBC performed a mark to market valuation at 28 February 2019 whch showed a potential loss of £59 872

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

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

There was no ineffectiveness during 2019 or 2018 in relation to the interest rate swaps.

		2019 £'000	2018 £'000
19.3	**Rand Merchant Bank GBP ZAR cross currency interest rate swap**		
	Fair value at end of the year – refer note 32.9	2 236	(5 847)
	Balance at beginning of the year	(5 847)	
	Interest	(3 624)	(829)
	Repaid during the year	3 642	
	Fair value adjustment through profit and loss	8 065	(5 018)
	Balance at end of the year	2 236	(5 847)

The cross currency interest rate swop was entered into with Rand Merchant Bank on 18 December 2017, whereby the Rand listed B preference share liability was exchanged for a £ liability at the rate of exchange on the issue date, and the dividend rate of [72% of three month JIBAR + 3%] payable in Rand on the Rand amount of the listed preference shares was exchanged for an interest rate of [three month GBP LIBOR + 1.66%] , payable in GBP on the notional GBP liability, resulting in a capital value of the liability of £62 968 000 and a total cost of funds of [GBP LIBOR + 1.66%] .

Rand Merchant Bank performed a mark to market valuation at year end, which shows a potential loss of £2 236 132 on the swap, resulting from the aggregate of the ZAR depreciation against the £ since the inception date (with the loss reflected in the preference share liability), and the margin earned by Rand Merchant Bank on the derivative.
The swap is unsecured.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP 2019 £'000	GROUP 2018 £'000
19	**Derivative financial instruments (continued)**		
19.4	**Nedbank/Rand Merchant Bank CPI hedge**		
	Fair value at end of the year – refer note 33.9	8 286	–
	Balance at beginning of the year	–	
	Fair value adjustment through profit and loss	8 571	
	Foreign currency translation differences	(285)	
	Balance at end of the year	8 286	–

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

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

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

The swap is secured by the same security disclosed respectively under notes 18.1.11 and 18.1.16

		2019 £'000	2018 £'000
19.5	**Analysis of derivative financial instruments:**		
	Non-current	(5 990)	(5 623)
	Current	–	–
		(5 990)	(5 623)

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.

		2019 £'000	2018 £'000
20	**Deferred revenue**		
20.1	**Consisting of:**		
	Rent received in advance	6 335	10 669
20.2	**Movements in deferred revenue**		
	Opening balance	10 669	7 582
	Additions	6 363	4 097
	Reallocated from trade and other payables		4 703
	Transferred to profit or loss	(5 601)	(4 954)
	Disposal of subsidiary	(5 371)	
	Foreign currency translation differences and forex losses	275	(759)
	Closing balance	6 335	10 669

COMPANY 2018 R'000	COMPANY 2019 R'000			GROUP 2019 £'000	GROUP 2018 £'000
		21	**Trade and other payables**		
			Trade payables	2 965	2 237
10 369	5 202		Other payables and accrued expenses	11 096	16 680
			Dilapidations provision	1 156	892
			Deposits held	2 780	2 769
			Lease guarantee liability	155	216
			Financial guarantee contracts	38	—
			Deferred income	5	474
			Social security and other taxes	1 255	1 107
10 369	5 202			19 450	24 375
			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.		
		21.1	The carrying amount of trade and other payables are denominated in the following currencies:		
			Pound Sterling	10 824	12 961
9 456	4 404		Rand	6 070	6 142
			USD	2 111	4 809
			Namibian dollar	280	319
913	798		Other – Swiss franc/Euro/Zambian Kwacha/Botswana Pula	165	144
10 369	5 202			19 450	24 375
		22	**Short-term borrowings**		
		22.1	**Consisting of:**		
			Short term portion of long-term loans – refer note 18.3	9 838	9 597
			RMB £ bridge loan – refer note 22.2	14 000	30 147
			Demashuwa Property Developers (Pty) Limited – refer note 22.3	1 925	2 370
			Nedbank Ltd – refer note 22.4	760	—
			Loan from Investec Ltd – refer note 22.5	—	2 374
			Loan from Adamo Valy Mahomed (15% shareholder in Cognis 1, Limitada)	—	698
			Other – secured and unsecured	597	1 163
				27 120	46 349
		22.2	**RMB £ bridge loan**		
			Balance at beginning of the year	30 147	40 208
			Drawn during the year		
			Interest	1 142	1 296
			Repaid during the year	(17 289)	(11 357)
			Balance at end of the year	14 000	30 147

For the first month of the financial year, £25m carried interest at 3 month Libor + 3%, and the balance carried interest at 1 month Libor + 3%. On 1 April 2018 the loan repayment date was extended to 31 March 2019, and the interest rate on the outstanding capital of £40 million was amended to 1 month Libor +4.75%. The loan is secured by a guarantee from various entities in the Titan group of companies. On 1 April 2019, the loan repayment date was extended to 30 September 2019.

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP	
		2019 £'000	2018 £'000
22	**Short-term borrowings (continued)**		
22.3	**Demashuwa Property Developers (Pty) Limited**		
	Balance at beginning of the year	2 370	2 505
	Drawn during the year		
	Interest	219	253
	Repaid during the year	(361)	(391)
	Foreign currency translation differences	(303)	3
	Balance at end of the year	1 925	2 370

Demashuwa Property Developers (Pty) Ltd is the 50% joint venture partner in Steps JV.

The loan carries interest at the Namibian prime rate (2019: 10.50%, 2018: 10.5%), is unsecured and has no terms of repayment.

		2019 £'000	2018 £'000
22.4	**Nedbank Ltd – secured**		
	Balance at beginning of the year	–	
	Interest	1 211	
	Repaid during the year	(403)	
	Foreign currency translation differences	(48)	
	Balance at end of the year	760	–

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

		2019 £'000	2018 £'000
22.5	**Investec Ltd – secured**		
	Balance at beginning of the year	2 374	2 367
	Acquired through business combination		
	Drawn during the year	953	1
	Interest	15	221
	Repaid during the year	(3 046)	(216)
	Foreign currency translation differences	(296)	1
	Balance at end of the year	–	2 374

Carried interest at the South African prime rate less 0.5 % and was repaid on transfer of the secured property.

	GROUP 2019 £'000	GROUP 2018 £'000
23 Revenue		
Rental income	75 434	82 358
Boutique serviced office revenues	21 343	18 213
Property management	1 048	900
Deduct: rental income from group companies	(1 387)	
Revenue from external customers	96 438	101 471

Timing of revenue recognition	2019 At a point in time	2019 Over time	2019 Total	2018 At a point in time	2018 Over time	2018 Total
Rental income	64 911		64 911	67 462		67 462
Rental income – straightline leases		9 136	9 136		14 896	14 896
Boutique serviced office revenues	21 343		21 343	18 213		18 213
Property management	1 048		1 048	900		900
	87 302	9 136	96 438	86 575	14 896	101 471

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 67 years (2018: 1 year to 68 years).

Future minimum lease payments receivable under non-cancellable operating leases are as follows:	2019 £'000	2018 £'000
Not later than one year	63 704	63 954
Later than 1 year not later than 5 years	209 289	216 850
Later than 5 years	300 720	364 551
	573 713	645 355

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

COMPANY 2018 R'000	COMPANY 2019 R'000			GROUP 2019 £'000	GROUP 2018 £'000
		24	**Other operating income**		
			Management fees received from associates	397	507
			Distribution received on financial assets	147	
			Sundry income	1 331	920
–	–			1 875	1 427
		25	**Operating profit/(loss)**		
		25.1	**Determined after taking into account the following:**		
242	44		Employee benefits expenses	6 586	5 915
242	44		Salaries, wages and service benefits	6 581	5 890
			Retirement benefit contributions	5	25
			Net foreign exchange losses	1 673	291
70	5 597		Foreign exchange rate losses – realised	539	171
			Foreign exchange rate losses – unrealised	1 134	120
			Foreign exchange rate profits – unrealised		
			Foreign exchange rate profits – realised		
1 216	1 592		Auditors' remuneration	472	361
1 216	1 200		Audit fees – for this year	450	361
	392		– under provided in the previous year	22	–
6 260	2 847		Fees paid for outside services	586	1 270
6 227	1 060		Administrative	556	449
7	236		Accounting fees	124	116
27	6		Secretarial	37	2
	1 545		Management and director	(131)	703
			Net impairment losses on financial assets relating to:	910	160
			Loss allowance on trade receivables	542	160
			Loss allowance on other receivables	368	
355	103		Operating leases – buildings	7 536	6 361
			Profit on disposal of investment properties	(1 369)	(1 157)
			Loss/(profit) on disposal and scrapping of property, plant and equipment	(11)	–
1 016	729		Travel and office costs	643	638
			Advertising cost	555	367
			Repairs and maintenance	1 698	1 142
			Business centre operating costs	6 336	5 542
8 602	10 158		Professional and letting fees	917	2 086
66			Legal and professional fees	1 551	1 627
			Unrecovered rates	205	1 862
			Unrecovered property costs	3 125	1 520
			Unrecovered service charge	1 714	1 121
			Hotel operating costs		(4)
		25.2	**Directors' and prescribed officers remuneration**		
		25.2.1	Non-executive directors	169	369
			Executive directors	1 043	1 232
			Prescribed officers	401	273
				1 613	1 874

GROUP

£'000	Management company fees	Fees	2019 Total	2018 Total
25.2.2 Non-executive directors				
KR Collins	70	–	70	73
LL Porter	–	15	15	
MJ Roberts	–	11	11	6
HRW Troskie	–	29	29	23
CH Wiese	–	44	44	219
JM Wragge	–	–	–	48
	70	99	169	369

£'000	Basic remuneration	Variable remuneration	2019 Total	2018 Total
25.2.3 Executive directors				
FH Esterhuyse	151	84	235	242
DA Harrop	114	60	174	237
KL Nordier	209	77	286	286
TA Vaughan	283	65	348	467
	757	286	1 043	1 232
Prescribed officers				
SH Meekers	151	64	215	146
KA Searle	131	55	186	127
	282	119	401	273

25.2.4 Basic remuneration for 2019 comprises the following:

£'000	Salary	Pension scheme contributions	Other	Total
Executive directors				
FH Esterhuyse	127	14	10	151
DA Harrop	102	7	5	114
KL Nordier	200	5	4	209
TA Vaughan	274	9	–	283
	703	35	19	757
Prescribed officers				
SH Meekers	133	15	3	151
KA Searle	116	13	2	131
	249	28	5	282

25.2.5 Variable remuneration for 2019 comprises the following:

£'000	Bonuses and performance related payments	Total
Executive directors		
FH Esterhuyse	84	84
DA Harrop	60	60
KL Nordier	77	77
TA Vaughan	65	65
	286	286

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

25 Operating profit/(loss) (continued)

25.2 Directors' and prescribed officers remuneration (continued)

25.2.5 Variable remuneration for 2019 comprises the following (continued):

GROUP £'000	Bonuses and performance related payments	Total
Prescribed officers		
SH Meekers	64	64
KA Searle	55	55
	119	119

25.2.6 Share options granted to directors and prescribed officers during the year are as follows (2018: nil):

FH Esterhuyse: 124 172 options
KL Nordier: 70 166 options
SH Meekers: 80 255 options
KA Searle: 70 166 options
Refer note 35.1

25.2.7 Management company fees are paid to Redbill Holdings (Pty) Ltd – refer note 34

COMPANY 2018 R'000	COMPANY 2019 R'000		GROUP 2019 £'000	GROUP 2018 £'000
		26 Finance income and cost		
24 376	96	Finance cost on short-term borrowings	4 656	5 382
		Finance cost on long-term borrowings	40 182	44 788
		Interest paid to related parties	194	396
57 145	91 014	Dividends on preference shares classifed as debt	5 099	3 329
		Finance income on derivative hedge for Preference dividends		(2 562)
	1 617	Deferred finance charge	570	296
		Other finance cost	540	248
81 521	92 727	Finance cost expensed	51 241	51 877
—	—	Amount capitalised	979	641
81 521	92 727	Total finance cost	52 220	52 518
(88)	(89)	Interest income on short-term bank deposits	(270)	(181)
		Interest income from financial assets held for cash management purposes		
(57 145)	(91 014)	Interest received from related parties	(7)	(99)
		Interest received from joint ventures	(1 307)	(1 713)
		Interest received from associates	(995)	(1 229)
		Interest received from operations held for distribution		(1 287)
		Finance charge received on derivative	(4 377)	(878)
	(3 534)	Other finance income	(1 019)	(765)
(57 233)	(94 637)	Total finance income	(7 975)	(6 152)
24 288	(1 910)	Finance cost – net	44 245	46 366

The capitalised long term borrowings costs of £979 000 (2018: £641 000) have been capitalised to investment property.

27 Taxation

27.1 Classification:

	GROUP 2019 £'000	GROUP 2018 £'000
South African normal taxation	937	4 914
Foreign taxation	(273)	2 086
	664	7 000

TRADEHOLD LTD

COMPANY 2018 %	COMPANY 2019 %			GROUP 2019 %	GROUP 2019 £'000	GROUP 2018 %	GROUP 2018 £'000
		27.2	**Consisting of:**				
			Current taxation on profits for the year		(176)		464
			Under/(over) provision in prior periods		(79)		26
			Total current tax expense		(255)		490
			Deferred income tax – refer note 8.4		919		6 510
			(Increase)/decrease in deferred tax assets		(592)		(1 050)
			Increase/(decrease) in deferred tax liabilities		1 511		7 560
					664		7 000
		27.3	**Reconciliation of tax payable at normal rate to income tax expense:**				
28	28		South African normal tax rate/tax expense	28.0%	3 975	28.0%	10 438
(28)	(28)		Tax effect of amounts which are not deductible/(taxable) in calculating taxable income	-23.3%	(3 311)	-9.2%	(3 438)
			Fair value adjustment on investment property tax rate differential	10.9%	1 551	-3.7%	(1 364)
			Utilisation of tax losses not previously recognised to reduce deferred tax expense	-1.7%	(243)	-0.4%	(146)
(35)			Utilisation of tax losses not previously recognised to reduce current tax expense	0.1%	12	-1.6%	(585)
			Exempt income – goodwill adjustment	-1.2%	(174)		
			Non-deductible expenses – amortisation of intangibles	0.4%	50	0.2%	83
	19		Other non-deductible expenses	4.7%	669	0.9%	344
			Exempt income – lease smoothing	-2.3%	(327)	-0.8%	(301)
			Exempt income – dividends received	-0.8%	(110)	—	—
			Exempt income – fair value of Collins property hedge	-17.0%	(2 415)	—	—
	(54)		Exempt income – gain on diposal of subsidiary	-3.3%	(466)	—	—
			Exempt income – earnings from joint ventures/associates	-3.0%	(432)	-0.8%	(297)
			Other exempt income	-2.1%	(298)	-0.4%	(165)
			Foreign wealth tax	0.1%	13	—	11
7	7		Foreign tax rate differential	-3.2%	(461)	-3.3%	(1 236)
			Adjustments for current tax of prior periods	-4.9%	(680)	0.6%	218
—	—		Effective tax rate/Income tax expense	4.7%	664	18.8%	7 000
		27.4	**Tax losses**				
			Unused tax losses for which no deferred tax asset has been recognised		59		176
			Potential tax benefit at 28.00%		16		49

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

		GROUP 2019 £'000	GROUP 2018 £'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**	13 212	30 826
	Calculation of profit from continuing operations attributable to ordinary equity holders		
	Profit attributable to ordinary equity holders	13 532	30 279
	Non-controlling interest attributable to continuing operations	(614)	(2 556)
	Profit from continuing operations attributable to ordinary equity holders	12 918	27 723
28.1.1	Weighted average number of ordinary shares in issue ('000)	250 140	247 174
	The weighted average number of ordinary shares in issue in the current year has been adjusted to take into account the 1 709 660 treasury shares acquired during the year, and the 6 046 591 additional shares issued as a result of the dividend reinvestment option.. The weighted average effect of the adjustment on the number of shares in issue is 1 284 103.		
	Basic earnings per share (pence) attributable to ordinary equity holders	5.3	12.5
	Basic earnings per share (pence) from continuing operations attributable to ordinary equity holders	5.2	11.2
28.1.2	Diluted number of ordinary shares ('000)	250 519	247 519
	The diluted number of ordinary shares in the current year has been adjusted to take into account the following:		
	Weighted average number of ordinary shares in issue ('000)	250 140	247 174
	Share options granted in prior years under employee share option scheme allocation		345
	Share options granted in current year under employee share option scheme allocation – refer note 34.1	379	
		250 519	247 519
	Diluted earnings per share (pence) attributable to ordinary equity holders	5.3	12.5
	Diluted earnings per share (pence) from continuing operations attributable to ordinary equity holders	5.2	11.2
28.2	**Headline earnings:**		
	Basic headline earnings per share (pence)	8	9.2
	Diluted headline earnings par share (pence)	8	9.1

	2019 Gross	2019 Net	2018 Gross	2018 Net
Based on headline profit of		19 956		22 638
Profit attributable to equity holders of the company		13 212		30 826
Net (gain)/loss from fair value adjustment on investment property	17 315	13 493	(11 760)	(6 804)
Fair value adjustments from equity-accounted investments		(2 519)		
Gain on disposal of investment properties	(1 369)	(1 275)	(1 157)	(1 044)
Gain on disposal of subsidiaries		(3 107)		
Loss/(gain) on disposal of investments		48		(340)
Impairment of goodwill		115		—
Profit on disposal of property, plant and equipment		(11)		
and the weighted average number of ordinary shares in issue of ('000)		250 140		247 174
and the diluted number of ordinary shares ('000)		250 519		247 519

COMPANY 2018 R'000	COMPANY 2019 R'000			GROUP 2019 £'000	GROUP 2018 £'000
		29	**Cash flow information**		
		29.1	**Non-cash items**		
			Depreciation	2 742	2 224
			Amortisation	263	431
			Profit on disposal of investment properties	(1 369)	(1 157)
			Loss/(profit) on disposal of property, plant and equipment	(11)	–
			Net gain on fair value adjustment on investment properties	17 315	(11 760)
			Fair value loss on financial assets at fair value through profit or loss	(8 773)	37
			Straight line lease adjustment	(9 136)	–
			Impairment of goodwill	115	–
			Loss allowance on trade and other receivables	988	–
			Provision/(reversal of provision) for share-based payment expense	(76)	40
	(61 910)		Profit on disposal of investments	(3 059)	(340)
	(61 910)			(1 001)	(10 525)
		29.2	**Changes in working capital**		
–	–		Trade and other receivables	4 731	(10 688)
2 056	(5 167)		Trade and other payables	(11 778)	(1 248)
2 056	(5 167)			(7 047)	(11 936)
		29.3	**Taxation refund/(paid)**		
			Taxation per profit or loss	(664)	(7 000)
			Transfer to operations held for distribution – refer note 10.3	–	585
			Taxation payable at beginning of year	28	(1 287)
			Taxation (receivable)/payable at end of year	251	(28)
			Change in deferred taxation	919	6 510
				534	(1 220)
		29.4	**Proceeds from ordinary share issues**		
1 535	88 768		Ordinary share issues during the year – dividend reinvestment options exercised	4 879	94
(1 535)			Shares issued as deferred consideration for acquisition of Pointbreak by Mettle		(94)
–	88 768			4 879	–

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

29 Cash flow information (continued)

29.5 Reconciliation of liabilities arising from financing activities

GROUP

For the year ending 28 February 2019		Cash flows			Non-cash changes			
	Opening	Drawn/ issued during the year	Capital repaid during the year	Interest repaid during the year	Acquired through change in control	Interest charged	Foreign currency translation differences/ deferred finance charges/ other non-cash changes	Closing
Long-term borrowings	481 981	98 352	(123 190)	(41 904)	3 464	41 904	(49 668)	410 939
Short-term borrowings	36 752	1 440	(20 191)	(2 600)		2 600	(718)	17 283
Preference share liability	70 550	1	(1 017)	(5 114)	—	5 099	(8 641)	60 878
Derivative financial instruments held to hedge liabilities	(5 847)			3 642		(3 624)	8 065	2 236
Finance charges paid (other finance costs)				(541)				
	583 436	99 793	(144 398)	(46 517)	3 464	45 979	(50 962)	491 336
For the year ending 28 February 2018								
Long-term borrowings	489 060	152 250	(159 023)	(45 015)	3 818	45 015	(4 122)	481 981
Short-term borrowings	74 272	1 895	(36 695)	(3 080)		3 080	(2 720)	36 752
Preference share liability	38 999	62 983	(38 061)	(2 974)	—	3 329	6 274	70 550
Derivative financial instruments held to hedge liabilities	(2 460)		2 460	1 734		(2 562)	(5 018)	(5 847)
Finance charges paid (loan arrangement fees)				(2 106)				
	599 871	217 127	(231 320)	(51 442)	3 818	48 862	(5 587)	583 436

GROUP

	2019 £'000	2018 £'000
30 Commitments		
30.1 Capital commitments		
Significant capital expenditure contracted for at the year end but not recongnised as liabilities is as follows:		
South Africa		
Phase 1 of the Mzuri development by Imbali Props 21 (Pty) Ltd to be funded by Investec Ltd	2 594	1 309
Purchase of land and infrastructure by Ifana Investments (Pty) Ltd to be funded by Investec Ltd	222	535
Washington Street development by Langa Property Investments (Pty) Ltd to be funded by Investec Ltd	161	166
Nquthu, Nongoma and Madadeni by Colkru Investments (Pty) Ltd to be funded by Nedbank Ltd	8 398	—

30.2 Repairs and maintenance to investment property

None

		GROUP	
		2019 £'000	**2018 £'000**
30.3	**Non-cancellable operating leases**		
	The group leases retail outlets and offices under non-cancellable operating leases expiring within two to eight years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.		
	Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:		
	Expenditure to be incurred within 1 year	7 724	7 062
	Later than one year and not later than 5 years	29 070	27 441
	To be incurred after 5 years	33 885	38 382
		70 678	72 885
	Sub-lease payments		
	Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	113 381	115 691

31 Contingent liabilities

Tradegro Holdings (Pty) Ltd, a wholly owned subsidiary of Tradehold Limited, issued a financial guarantee contract on related party debt of Mettle Solar Africa Limited to the value of $5 million. Tradegro Holdings was released from the guarantee in May 2019. Consequently, no liability has been recognised.

32 Borrowing powers

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

33 Financial risk management

33.1 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.

33.2 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 South African Rand, Namibian Dollar, United States Dollar, Swiss Franc, Euro, Zambian Kwacha and the Botswana Pula .

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

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

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

33 Financial risk management (continued)

33.2 Market risk – Foreign currency exchange risk (continued)

33.2.1 Sensitivity analysis

The sensitivity analysis below details the group's sensitivity to a change in exchange rate between Pound Sterling and ZAR, Pound Sterling and Namibian Dollar, Pound Sterling and US Dollar, 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.

	GROUP	
	2019 £'000	2018 £'000
If ZAR depreciated 5% against £, profit for the year would increase/(decrease) by	(505)	(602)
If N$ depreciated 5% against £, profit for the year would increase/(decrease) by	53	(113)
If US$ depreciated 5% against £, profit for the year would increase/(decrease) by	(114)	(170)
If ZMW depreciated 5% against US$, profit for the year would increase/(decrease) by	23	(19)
If BWP depreciated 5% against USD$, profit for the year would increase/(decrease) by	7	71

33.2.2 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:

	2019 Average rate	2019 Closing rate	2018 Average rate	2018 Closing rate
SA Rand	ZAR17.8510	ZAR18.5797	ZAR17.1650	ZAR16.2706
Swiss Franc	Fr. 1.3010	Fr. 1.3206	Fr. 1.2795	Fr. 1.3042
United States Dollar	$1.3196	$1.3300	$1.3123	$1.3842
Euro	€1.1313	€1.1650	€1.1359	€1.1332
Namibian Dollar	N$17.8510	N$18.5797	N$17.1650	N$16.2706
Botswana Pula	BWP13.6312	BWP13.9736	BWP13.3875	BWP13.1874
Zambian Kwacha	ZMW14.2389	ZMW15.9455	ZMW12.5175	ZMW13.5812
Mozambique New Metical	MZN80.0850	MZN83.1351	MZN82.4514	MZN85.1525

33.2.3 Uncovered foreign assets and liabilities

The group had the following uncovered foreign assets and liabilities:

	2019 Foreign currency '000	2019 Pound equivalent £'000	2018 Foreign currency '000	2018 Pound equivalent £'000
Assets				
SA Rand	9 194 008	494 909	9 345 662	574 390
Namibian Dollar	961 293	51 739	877 514	53 932
United States Dollar	35 452	26 656	129 521	93 571
Botswana Pula	9 962	713	44 464	3 372
Zambian Kwacha	119 417	7 489	133 006	9 793
Euro	18	15	38	33
Swiss Franc	559	423	46	35
Liabilities				
SA Rand	6 874 378	369 994	7 042 776	432 853
Namibian Dollar	533 905	28 736	437 470	26 887
United States Dollar	16 219	12 195	67 182	48 535
Botswana Pula	2 025	145	4 867	369
Zambian Kwacha	6 704	420	25 218	1 857
Swiss Franc	386	293	309	237

33.3 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 2019 and 2018, the group's borrowings at variable rate were denominated in the Rand, United States Dollar, UK pound, and Namibian Dollar.

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

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

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

Instruments used by the group – refer note 19

	GROUP	
	2019 £'000	2018 £'000
Sensitivity		
For the current year a 100 basis point increase in interest rates across the year would have resulted in a decrease in the net profit of the group of	(4 375)	(5 062)
whilst a 100 basis point reduction in interest rates would have resulted in an increase in the net profit of the group of	4 375	5 062

The group has various GBP LIBOR-linked loans, as well as a derivative. For the IBOR reform, GBP LIBOR is to be replaced by another reference rate by the end of 2021. The group is assessing the impact of this change on its LIBOR-linked contracts for future financial periods – refer notes 18.1.1, 18.1.3, 18.1.4, 18.1.5 and 19.3

33.4 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.

	2019 £'000	2018 £'000
A 5% increase in the value of investments would increase the group's net profit by	377	300
whilst a 5% decrease in the value of investments would reduce the net profit by	(377)	(300)

33.5 Credit risk

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

Credit risk arises from cash and cash equivalents held at banks, favourable derivative financial instruments, deposits with banks and financial institutions and outstanding receivables, including rental, trade and other outstanding receivables, and loans receivable.

33.5.1 Trade and other receivables

Risk management

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

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

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

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

2018 R'million	2019 R'million		Bank rating (as per Fitch Ratings)	2019 £'000	2018 £'000
		33	**Financial risk management (continued)**		
		33.5	**Credit risk (continued)**		
		33.5.2	**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:		
—	—		F1 +	6 385	7 134
—	—		F2	—	—
1.4	1.8		F3	6 510	9 263
1.4	1.8		Total	12 896	16 397
			The maximum amount of credit risk that the group is exposed to is and has been calculated as follows:	57 219	88 317
			Trade and other receivables	7 964	34 085
			Loans receivable	10 642	3 133
4 618	4 092		Loans to subsidiaries	—	—
			Loans to associates	6 488	8 484
			Loans to joint ventures	18 371	26 218
1.4	1.8		Cash and cash equivalents	12 896	16 397

33.5.3 Impairment

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

For the measurement of credit losses of trade and other receivables – refer note 11.4

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

Less than 1 year R'million	Between 1 and 5 years R'million	At 28 February 2018	Less than 1 month £'000	Between 1 and 3 months £'000	Between 3 and 12 months £'000	Between 1 and 5 years £'000
10.4	—	Trade and other payables	4 780	—	187	9 165
—	1 147	Interest-bearing liabilities	30 321	525	11 787	550 940
		Bank overdrafts	514	—	—	—
		Total non-derivatives	35 615	525	11 974	560 105
		Derivatives	(859)		(2 583)	(7 949)
			34 756	525	9 391	552 156

33.7 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 2019

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

33 Financial risk management (continued)

33.7 Fair value of financial instruments (continued)

28 February 2018

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	–	–	–	–
Derivatives	5.8	–	–	–	–
Loans to joint venture	26.2	–	2	–	–
Loans to associates	8.5	–	1	–	–
Loans receivable	8.3	–	0.8	–	0.2
Trade and other receivables	28.9	–	–	–	–
Cash and cash equivalents	16.4	–	–	–	–
Liabilities (£'million)					
Long-term borrowings	482.0	–	–	44.8	–
Derivatives	0.2	–	–	–	0.2
Preference shares	70.5	–	–	3.3	–
Deferred revenue	10.7	–	–	–	–
Short-term borrowings	36.8	–	–	5.4	–
Bank overdrafts	0.5	–	–	–	–
Trade and other payables	24.4	–	–	–	–

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

All financial instruments are classified as loans receivable/payable at amortised cost, except listed investments, which are classified as financial assets at fair value through profit 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 19

33.8 Capital risk management

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

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

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:
- the consolidated intrinsic net asset value of the group before tax must not be less than £300 000 000
- the loan to value ratio, excluding debt guaranteed by shareholder, must not be more than 65%
- the interest cover ratio may not be less than 1.3 times
- the vacancy ratio on UK properties may not be more than 15%

The group has complied with these covenants throughout the reporting period, with the exception of the following borowings:
Standard Bank – refer note 18.1.6
Loan repayments by the guarantor group company to its shareholder are limited to R150 million per annum. This covenant was breached as a result of the loan repayments made for purposes of the unbundling transaction described in note 10.3
The minimum occupancy of the retail mall should be 90% of GLA, while actual occupancy is 60%.
The debt service cover ratio should be a minium of 1.05 times, while actual ratio is 0.91 times.

Standard Bank have agreed to assist the retail mall by condoning covenant breaches until 30 March 2020, in order to assist the mall in improving letting and net operating income generated to meet covenants. During this period management are still required to submit on a quarterly basis the covenant compliance certificates and provide information about the status of letting and mall performance. Its approval is premised on the support to be provided by shareholders, if need be, in order for the borrower to meet all instalments in full and in accordance with the existing repayment plan. By 30 March 2020 the expectation is that the mall will generate sufficient operating income to be covenant compliant, failing which other alternatives such as right sizing the debt will be sought.

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

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

	GROUP	
	2019 £'000	**2018 £'000**
The LTV ratios were as follows:		
Total bank borrowings (including preference shares)	480 380	579 515
Less: Short-term borrowings secured by guarantee from shareholder	(14 000)	(30 147)
Less: Short-term borrowings secured by cash deposits		
Net debt	466 380	549 368
Investment property, owner-occupied properties and property financial asset	732 091	847 533
LTV ratio	63.7%	64.8%

33.9 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 2019:

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

33 Financial risk management (continued)

33.9 Fair value estimation (continued)

The following table presents the group's financial assets and liabilities that are measured at fair value at 28 February 2018:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss			
Securities	–	–	5 886
Trading derivatives			
Cross currency swap		5 847	
Non-financial assets at fair value through profit or loss			
Investment properties	–	–	841 647
Total assets	–	5 847	847 533
Liabilities			
Financial liabilities at fair value through profit and loss			
Trading derivatives			
Cross currency swap			
Derivatives used for hedging			
Interest rate contracts	–	224	–
Financial liabilities at amortised cost			
Preference shares		70 488	62
Borrowings	–	–	518 733
Total liabilities	–	70 712	518 795

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

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

The fair value of investment properties is based on rental yield valuations and vacancy rates at the year-end. The key observable inputs are rental yields and vacancy rates.
Should UK property yields increase by 1%, the valuations would be lower by approximately £34.41 million
Should UK property yields decrease by 1%, the valuations would be higher by approximately £53.45 million
Should UK property vacancy rates increase by 1%, the valuations would be lower by approximately £1.88 million
Should UK property vacancy rates decrease by 1%, the valuations would be higher by approximately £2.02 million
Should Namibia property yields increase by 1%, the valuations would be lower by approximately £4.28 million
Should Namibia property yields decrease by 1%, the valuations would be higher by approximately £5.19 million
Should Namibia property vacancy rates increase by 1%, the valuations would be lower by approximately £0.49 million
Should Namibia property vacancy rates decrease by 1%, the valuations would be higher by approximately £0.36 million
Should Africa (excluding Namibia and South Africa) property yields increase by 1%, the valuations would be lower by approximately £32.60 million
Should Africa (excluding Namibia and South Africa) property yields decrease by 1%, the valuations would be higher by approximately £34.72 million
Should Africa (excluding Namibia and South Africa) property vacancy rates increase by 1%, the valuations would be lower by approximately £0.27 million
Should Africa (excluding Namibia and South Africa) property vacancy rates decrease by 1%, the valuations would be higher by approximately £0.27 million
Should South Africa property yields increase by 1%, the valuations would be lower by approximately £60.25 million
Should South Africa property yields decrease by 1%, the valuations would be higher by approximately £39.38 million
Should South Africa property vacancy rates increase by 1%, the valuations would be lower by approximately £74.50 million
Should South Africa property vacancy rates decrease by 1%, the valuations would be higher by approximately £45.41 million

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

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

Reconciliation of recurring level 3 fair value financial instruments:
Investment Properties – refer note 2.1
Financial assets – refer notes 9.1.1 and 9.1.2

34 Related parties

Related party relationships exist between the company, its subsidiaries and the directors of the company. See page 120 for details of major shareholders and directors' interest and page 106 for its subsidiaries.

Non-executive director, C H Wiese, is a director and indirect beneficial shareholder of Titan Share Dealers (Pty) Ltd, Granadino Investments (Pty) Ltd and Titan Global Investments (Pty) Ltd. He was also previously an employee of Chaircorp (Pty) Ltd, a management company that rendered advisory services to Tradehold Limited in prior financial periods in return for an annual fee. The amount accrued but not yet paid of £113 511 (2018: £175 000) to Chaircorp (Pty) Ltd for advisory services rendered to Tradehold Ltd in prior financial years is included in 'Other payables and accrued expenses' in note 21

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

Non-executive director, K R Collins, is a director and indirect beneficial shareholder of Redbill Holdings (Pty) Limited. Redbill Holdings (Pty) Limited renders advisory services to Collins Property Projects (Pty) Ltd in return for an annual fee. The amount paid of £70 024 (2018: £73 000) for advisory services to Collins Property Projects (Pty) Ltd are disclosed in note 25.2.2

Related party loans include a loan of £287 826 (2018:£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 22.1

	GROUP	
	2019 £'000	2018 £'000
Loans receivable include the following 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 Nguni Property Services (Pty) Ltd	78 683	57 499
The loan is disclosed in note 7.4		
Short term borrowings include the following related party loan payable to Demashuwa Property Developers (Pty) Ltd, the 50% partner in Steps JV owned by the associate company Steps Towers Property Investments (Pty) Ltd and 50% JV partner in MegaCentre JV	1 924 580	2 369 540
The loan payable is disclosed in note 22.3		
The following property management, letting, advertising and accounting fees were paid to Nguni Property Services (Pty) Ltd and Safland International Property Services (Pty) Ltd during the year	259 445	34 710
Loans receivable include the following related party loans advanced to key management for the acquisition of equity interests in the group		
AS Trust (FH Esterhuyse) – 1 664 490 shares in Tradehold Ltd	1 464 632	1 572 252
Eastwick Road Ltd (D Wheble) – 10% of The Boutique Workplace Company Ltd	832 886	807 333
The loans are disclosed in note 7.3		
All joint venture arrangements and joint operations and loans receivable from/payable to joint ventures are disclosed in note 5		
All associates and loans receivable from/payable to associates are disclosed in note 6		
All intergroup transactions have been eliminated in the annual financial statements and there are no other material transactions with related parties, except as set out in note 4		
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 benefits	1 444	1 505
Key management compensation was paid to:		
Executive directors and prescribed officers	1 444	1 505

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

35 Share based payments

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

The following options were granted to directors of the company in terms of the ESOP during the year (2018: nil):
On 19 November 2018 (the Grant Date), an award of 124.172 share options of ZAR15.10 per share were accepted by F H Esterhuyse, exercisable in three equal tranches on 19 November 2022, 19 November 2023 and 19 November 2024 respectively.
On 19 November 2018 (the Grant Date), an award of 70.166 share options of ZAR15.10 per share were accepted by K L Nordier, exercisable in three equal tranches on 19 November 2022, 19 November 2023 and 19 November 2024 respectively.

The following options were granted to directors and employees of major subsidiaries in terms of the ESOP during the year (2018: 81 026):
On 19 November 2018 (the Grant Date), an award of 80.255 share options of ZAR15.10 per share were accepted by S H Meekers, exercisable in three equal tranches on 19 November 2022, 19 November 2023 and 19 November 2024 respectively.
On 15 November 2018 (the Grant Date), an award of 70.166 share options of ZAR15.10 per share were accepted by K A Searle, exercisable in three equal tranches on 15 November 2022, 15 November 2023 and 15 November 2024 respectively.
On 7 September 2018 (the Grant Date), an award of 13.533 share options of ZAR15.10 per share were accepted by A T Nisbet, exercisable in three equal tranches on 7 September 2022, 7 September 2023 and 7 September 2024 respectively.
On 14 September 2018 (the Grant Date), an award of 7.382 share options of ZAR15.10 per share were accepted by M B Borrageiro, exercisable in three equal tranches on 14 September 2022, 14 September 2023 and 14 September 2024 respectively.
On 14 September 2018 (the Grant Date), an award of 7.382 share options of ZAR15.10 per share were accepted by G C Lang, exercisable in three equal tranches on 14 September 2022, 14 September 2023 and 14 September 2024 respectively.
On 14 September 2018 (the Grant Date), an award of 6.090 share options of ZAR15.10 per share were accepted by G A Adams, exercisable in three equal tranches on 14 September 2022, 14 September 2023 and 14 September 2024 respectively.

Options totalling 344.707, awarded to employees in prior fianncial years, lapsed upon the unbundling of the financial services business during the year – refer note 10

The fair value of the options granted was estimated on the Grant Date using the following assumptions:	November 2018 awards	September 2018 awards
Dividend yield (%)	—	—
Expected volatility (%)	14.14%	12.38%
Risk-free interest rate (%)	9.17%	9.24%
Expected life of share options (years)	7	7
Weighted average share price (ZAR)	13.64	15.41

The weighted average fair value of the options granted during the year was £53 328

For the year ended 28 February 2019, Tradehold has recognised a share-based payment expense in the statement of changes in equity of £3 201

At 28 February 2019, there are 7 427 498 (2018: 7 461 937) shares available for utilisation under the ESOP.

36 Events after the reporting period

36.1 On 27 February 2019, the group entered into an agreement with I Group Investments (Pty) Ltd to invest R833 million directly into its portfolio of South African property assets, with an option to subscribe for or acquire 12.5 million shares in Tradehold Ltd for R200 million. The transaction completed in May 2019.

36.2 A conditional sale agreement was signed to dispose of Tradehold Africa Limited's investment in Danbury Properties Limited and Falcata Limited, together with their respective investment holdings in First Properties Investment Limited and Hospitality Properties Investment Limited.

36.3 A conditional sale agreement was signed to dispose of Tradehold Africa Limited's investment in Collwana Properties (Pty) Ltd.

36.4 Disposal of certain investment properties in South Africa have been agreed to with independent third parties after reporting date. 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 reporting date and therefore the requirements of IFRS 5 were not met.

36.5 Assets held for sale as shown in note 10 are highly probable to have all unconditional sale terms fulfilled after the reporting period.

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

36.7 Phase 2 of the development of Gobabis shopping centre completed on 31 March 2019.

37 Segment information

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

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

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

The executive board of directors monitor the business based on the following operating segments:
Property – United Kingdom
Property – South Africa
Property – Namibia
Property – rest of Africa
Serviced Office – United Kingdom
Other

There have been no amendments to the operating segments since the previous annual report.

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

The executive directors assesses the performance of the operating segments based on operating profit.

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

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

37 Segment information (continued)

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2019 is as follows (in £'000):

	Property					Serviced Office	Operations held for distribution		
	United Kingdom including Joint Ventures	IFRS adjustments for Joint Ventures	South Africa	Namibia	Rest of Africa	United Kingdom	United Kingdom and South Africa	Other	Group total
	Moorgarth		Collins	Nguni	Tradehold Africa	The Boutique Workplace Company	Reward and Mettle		
Condensed statement of comprehensive income									
Total segment revenue (external customers)	14 263	(4 215)	57 272	4 015	3 700	21 403		–	96 438
Other income	599	(72)	1 000	130	156	–		61	1 875
Foreign exchange gains and losses	–	–	–	–	(1 134)	–		(539)	(1 673)
Provision for bad debts	(364)	40	(39)	(462)		–		–	(825)
Unrecovered property costs	(3 225)	656	(1 942)	–	(439)	–		–	(4 950)
Other operating costs	(3 144)	153	(2 746)	(877)	(947)	(19 673)		(1 430)	(28 665)
EBITDA	8 129	(3 438)	53 546	2 806	1 336	1 730		(1 908)	62 200
Depreciation, impairment and amortisation	(372)	17	(448)	(72)	45	(2 169)		(7)	(3 006)
Trading profit per entity	7 757	(3 421)	53 098	2 734	1 381	(439)		(1 914)	59 194
Profit on disposal of investment property	(38)	–	1 407	–	–			–	1 369
Fair value adjustment to investment property	2 913	(2 520)	(11 443)	(2 253)	(4 012)	–		–	(17 315)
Profit/(loss) on acquisition/disposal of investments/PPE		–	8	–	–	2		–	11
Profit/(loss) on acquisition/disposal of subsidiaries/associates		–	(48)	–	3 107			–	3 059
Impairment of goodwill					1 163			(1 279)	(115)
Fair value gain/(loss) on investments	203	–	8 416	–	–	–		155	8 773
Operating profit/(loss)	10 835	(5 941)	51 437	481	1 639	(437)		(3 037)	54 976
Finance income	561	542	346	1 187	280	1		5 057	7 975
Finance cost (notional interest allocation per segment based on debt utilisation)	(5 576)	1 765	(38 519)	(2 155)	(1 096)	(271)		(5 393)	(51 241)
Profit from joint venture	–	2 473	–	–	–	–		–	2 473
Profit from associated companies	–	–	–	13	–	–		–	13
Profit before taxation	5 820	(1 161)	13 264	(474)	824	(707)		(3 373)	14 196
Income tax expense	(1 591)	1 161	(937)	(601)	1 342	158		(196)	(664)
Profit from continuing operations	4 229		12 328	(1 076)	2 165	(549)		(3 568)	13 532
Profit from operations held for distribution								296	296
Profit before non-controlling interest	4 229		12 328	(1 076)	2 165	(549)		(3 273)	13 828
Non-controlling interest	–	–	(930)	(36)	237	115		(2)	(616)
Net profit for the year	4 229	–	11 398	(1 112)	2 402	(434)		(3 275)	13 212

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2019 is as follows (in £'000) (continued):

	Property					Serviced Office	Operations held for distribution		
	United Kingdom including Joint Ventures	IFRS adjustments for Joint Ventures	South Africa	Namibia	Rest of Africa	United Kingdom	United Kingdom and South Africa	Other	Group total
	Moorgarth		Collins	Nguni	Tradehold Africa	The Boutique Workplace Company	Reward and Mettle		
Condensed statement of financial position									
Investment properties	256 676	(61 402)	464 692	40 768	26 475				727 209
Property plant and equipment	642	(71)	3 219	69	67	5 407		2	9 336
Intangible assets	45	—			—	8 035			8 080
Derivative financial instruments			8 286	—					8 286
Financial assets	4 882	—	1 274	53				1 339	7 548
Investments carried at fair value through profit and loss									
Investment in joint ventures	16 446	11 328		1 925					29 699
Investment in associates	—	—	313	6 718	—	—		—	7 031
Deferred taxation	1 652	—	6 879	1 003	2 277	—		—	11 811
Cash	5 028	(1 175)	3 073	127	3 037	1 811		996	12 896
Loans due from operations held for distribution	—	—	—	—	—	—		—	
Assets held for sale			893						893
Other receivables	11 062	(1 462)	5 703	1 076	2 906	7 998		8 954	36 237
Total assets	296 433	(52 782)	494 333	51 739	34 762	23 251		11 290	859 026
Borrowings (notional allocation per segment based on debt utilisation)	147 329	(34 173)	322 365	26 223	9 348	5 464		14 841	491 396
Deferred revenue	1 320	(352)	996	—	821	3 550		—	6 335
Deferred tax	2 383	(983)	39 791	2 233	175	17		—	43 616
Other payables	4 024	(855)	6 472	280	2 379	7 576		771	20 646
Total liabilities	155 056	(36 363)	369 624	28 736	12 722	16 607		15 612	561 994
Non-controlling interest	—	—	10 907	20	(933)	9		(133)	9 871
Group borrowings	93 932	(16 599)	(3 112)	12 065	19 588	7 508		(113 382)	—
Shareholders equity	47 445	180	116 914	10 917	3 385	(873)		109 193	287 161
Total equity	141 377	(16 419)	124 709	23 003	22 039	6 644		(4 321)	297 032
Total assets include additions to the following non-current assets:									
Additions to property, plant and equipment	1 675		32	37	61				1 805
Additions to investment properties	3 646		5 041	6 250	283				15 221
Additions to goodwill	10				33				43
Additions to joint ventures	8 190		—		—				8 190
Additions to associates	—		—		—				—

Notes (continued)

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

37 Segment information (continued)

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2018 is as follows (in £'000):

	Property					Serviced Office	Operations held for distribution		
	United Kingdom	IFRS adjustments for Joint Ventures	South Africa	Namibia	Rest of Africa	United Kingdom and South Africa	United Kingdom and South Africa	Other	Group total
Condensed statement of comprehensive income									
Total segment revenue (external customers)	14 031	(3 253)	61 980	4 236	6 204	18 273		–	101 471
Other income	1 972	(1 141)	301	112	160			23	1 427
Foreign exchange gains and losses					(89)			(202)	(291)
Provision for bad debts	(114)	23	(195)	(230)	(8)				(524)
Unrecovered property costs	(2 283)	378	(1 904)	(108)	(564)				(4 481)
Other operating costs	(4 586)	615	(2 743)	(558)	(762)	(16 497)		(1 833)	(26 364)
EBITDA	9 020	(3 378)	57 439	3 452	4 941	1 776		(2 013)	71 238
Depreciation, impairment and amortisation	(225)	11	(480)	(63)	(56)	(1 836)		(7)	(2 656)
Trading profit per entity	8 795	(3 367)	56 959	3 389	4 886	(60)		(2 020)	68 582
Profit on disposal of investment property	646		511		–		–	–	1 157
Fair value adjustment to investment property	4 437	(511)	2 054	(43)	5 823				11 760
Profit/(loss) on acquisition/disposal of investments		(1)			340	1			340
Fair value gain/(loss) on investments	(38)		1						(37)
Operating profit/(loss)	13 840	(3 879)	59 525	3 346	11 049	(59)		(2 020)	81 803
Finance income	524	517	957	1 187	295	–		2 671	6 152
Finance cost (notional interest allocation per segment based on debt utilisation)	(5 483)	2 098	(41 747)	(2 533)	(3 320)	(283)		(609)	(51 877)
Profit from joint venture		662							662
Profit from associated companies			51	488					539
Profit before taxation	8 881	(602)	18 786	2 488	8 024	(342)		42	37 279
Income tax expense	(510)	602	(4 914)	(122)	(1 938)	(116)		(1)	(7 000)
Profit from continuing operations	8 371		13 871	2 366	6 086	(458)		41	30 279
Profit from operations held for distribution					(21)		4 081		4 060
Profit before non-controlling interest	8 371		13 871	2 366	6 065	(458)	4 081	41	34 339
Non-controlling interest	375		(1 175)		(1 756)		(959)		(3 513)
Net profit for the year	8 746		12 696	2 366	4 309	(458)	3 122	41	30 826

The segment information provided to the CODM for the reportable segments for the year ended 28 February 2018 is as follows (in £'000) (continued):

	Property					Serviced Office	Operations held for distribution		
	United Kingdom	IFRS adjustments for Joint Ventures	South Africa	Namibia	Rest of Africa	United Kingdom and South Africa	United Kingdom and South Africa	Other	Group total
Condensed statement of financial position									
Investment properties	249 455	(57 899)	534 862	41 024	74 205				841 647
Property plant and equipment	791	(59)	4 199	117	260	5 832		9	11 150
Intangible assets	(57)	(1 664)		1 490	(449)	10 054			9 374
Financial assets	5 886								5 886
Investment in joint ventures	11 924	12 789	—	2 370					27 083
Investment in associates			389	8 769					9 158
Deferred taxation		1 780	8 455	923	520				11 678
Cash	6 363	(1 849)	2 661	456	6 381	1 587		798	16 397
Assets held for distribution					1 993		74 098		76 091
Loans due from operations held for distribution								21 840	21 840
Assets held for sale			1 271						1 271
Other receivables	11 477	871	8 533	274	11 046	4 322		6 896	43 419
Total assets	285 839	(46 031)	560 370	55 423	93 956	21 795	74 098	29 543	1 074 993
Borrowings (notional allocation per segment based on debt utilisation)	153 842	(38 352)	377 664	24 852	50 247	5 300		15 731	589 283
Deferred revenue		4 097			6 572				10 669
Deferred tax	(103)	1 244	45 010	1 716	4 304	142			52 313
Liabilities held for distribution					2 039		56 649		58 688
Other payables	10 701	(5 785)	6 033	333	4 927	8 126		1 103	25 438
Total liabilities	164 440	(38 796)	428 707	26 901	68 089	13 568	56 649	16 834	736 391
Non-controlling interest		878	9 553		2 997	(753)	1 183		13 858
Group borrowings	75 555	(6 530)	97 393	13 193	19 512	6 980		(206 103)	—
Shareholders equity	45 844	(1 583)	24 718	15 328	3 359	2 000	16 266	218 813	324 744
Total equity	121 399	(7 235)	131 664	28 521	25 868	8 227	17 450	12 710	338 602
Total assets include additions to the following non-current assets:									
Additions to property, plant and equipment	3 855		64	7	211				4 130
Additions to investment properties	15 843		11 663	4	2 757				30 263
Additions to goodwill	10								10

Interest in subsidiaries

Tradehold Limited and its subsidiaries for the year ended 28 February 2019

Name of entity	Place of business / country of incorporation	Issued Share Capital	Percentage shares held by group 2019 %	2018 %	Principal Activities
Tradegro Holdings (Pty) Ltd	Malta/South Africa	ZAR7 877 752	100	100	Investment holding
Tradegro S.àr.l	Luxembourg/ Switzerland	£108 217 462	100	100	Investment holding and treasury
Tradegro (UK) Ltd	United Kingdom	£2	100	100	Dormant
United Kingdom subsidiaries					
Moorgarth Holdings (Luxembourg) S.àr.l	Luxembourg	£21 500	100	100	Investment holding
Moorgarth Group Ltd	United Kingdom	£100	100	100	Investment holding and treasury
Tauri Holdings S.àr.l	Luxembourg	£12 500	100	100	Investment holding
Inception Holdings S.àr.l	Luxembourg	£12 500	100	100	Property investment
Moorgarth Properties (Luxembourg) S.à r.l	Luxembourg	£15 156 067	100	100	Property investment
St Catherines Perth (I) S.àr.l	Luxembourg	£12 499	100	100	Property investment
London Office S.àr.l	Luxembourg	£3 599 150	100	100	Property investment
Inception Living S.àr.l	Luxembourg	£47 174	100	100	Property investment
The Boutique Workplace Company Ltd	United Kingdom	£1	90	90	Serviced office provider
Ventia Ltd	United Kingdom	£1 050	90	90	Serviced office provider
Queen Street Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
Golden Square Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
St John Street Busines Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
Thomas Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Margaret Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
John Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Queen Street (City) Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Farringdon Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Bedford Square Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Christopher Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Whitefriars Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Southampton Place Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Wimbledon Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Wandle Point Ltd	United Kingdom	£100	100	100	Property investment
Apex Properties Ltd	United Kingdom	£1	100	100	Dormant
Moorgarth Maple Ltd (formerly Cairnduff Developments Rutherglen)	United Kingdom	£1	100	100	Property investment
St Catherines Perth (2) S.àr.l	Luxembourg	£1	100	100	Property investment
RSP Investments Ltd	United Kingdom	£1	100	100	Financial investment holding
Moorgarth Property Management Ltd	United Kingdom	£1	100	100	Property management
Moorgarth Site Services Ltd	United Kingdom	£1	100	100	Property management
Moorgarth Properties Ltd	United Kingdom	£1	100	100	Property investment
River Street Properties Ltd	United Kingdom	£3 822 662	100	100	Property investment
Moorgarth Leisure Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Property Investments Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Retail Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Living Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Euston Ltd	United Kingdom	£1	100	—	Property investment
Moorgarth Maple (Luxembourg) S.àr.l	Luxembourg	£1 100 000	100	100	Investment holding

Name of entity	Place of business / country of incorporation	Issued Share Capital	Percentage shares held by group 2019 %	2018 %	Principal Activities
Africa subsidiaries					
Tradehold Africa Ltd	Mauritius	USD100	100	100	Investment holding
TC Mozambique Properties Ltd	Mauritius	USD100	75	75	Investment holding
Tete Hollow Limitada	Mozambique	MZN50 000	100	100	Property letting
Tradehold Mozambique Limitada	Mozambique	MZN50 000	75	75	Property letting
Danbury Properties Ltd	Mauritius	USD100	100	100	Investment holding
Falcata Ltd	Mauritius	USD100	100	100	Investment holding
First Properties (Pty) Ltd	Zambia	ZMW500 000	100	100	Property letting
Hospitality Properties (Pty) Ltd	Zambia	ZMW2 000	100	100	Property letting
Collwana Properties (Pty) Ltd	Botswana	BWP100	100	100	Property letting
Tete Hollow Mauritius Ltd	Mauritius	USD100	100	100	Investment holding
TC Tete Properties Ltd	Mauritius	USD100	75	75	Investment holding
Tradehold API Ltd	Mauritius	USD200	75	75	Investment holding
Atterbury Matola Mauritius Ltd	Mauritius	USD100	75	75	Investment holding
Atterbury Pemba Properties Ltd	Mauritius	USD12	75	75	Investment holding
Atterbury Pemba Mauritius Ltd	Mauritius	USD2	67	67	Investment holding
Pemba Investment Company Lda	Mozambique	MZN110 000	68	68	Property letting
Atterbury Matola Lda	Mozambique	MZN20 000	75	75	Property letting
South Africa subsidiaries					
Imbali Props 21 (Pty) Ltd	South Africa	ZAR73 882 558	100	100	Property letting
Saddle Path Props 69 (Pty) Ltd	South Africa	ZAR10 066 286	100	100	Property letting
Collins Property Projects (Pty) Ltd	South Africa	ZAR200	100	100	Property management services
Dimopoint (Pty) Ltd	South Africa	ZAR233 545 200	70	70	Property letting
Applemint 24 (Pty) Ltd	South Africa	ZAR100	68.9	68.9	Property letting
Seculotte Trading 7 (Pty) Ltd	South Africa	ZAR240	50.0	50.0	Property letting
Colkru Investments (Pty) Ltd	South Africa	ZAR100	90.0	90.0	Property letting
Colkru Developments (Pty) Ltd	South Africa	ZAR100	75.0	75.0	Property development
Colkru Mamelodi Investments (Pty) Ltd	South Africa	ZAR100	80.0	80.0	Property letting
Langa Property Investment (Pty) Ltd	South Africa	ZAR100	100.0	100.0	Property letting
Namibia subsidiaries					
Nguni Property Fund Ltd (formerly Safcoll Property Holdings (Pty) Ltd)	Namibia	NAM $100	100	100	Property letting
Nguni Property Developments (Pty) Ltd	Namibia	NAM $100	100	100	Property development
TradeCol Investment Holdings (Pty) Ltd	Namibia	NAM $200	88	44	Property development
Probo (Pty) Ltd	Namibia	NAM $100	88	44	Property letting

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

Property portfolio analysis

As at 28 February 2019

Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weigted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
					Industrial: total	1 465 245	82.79%	2.23	6.38%	64.32%	0.97%
United Kingdom											
Wilmingtone Grove, Leeds – car park	May-06	3 470		1 150	Industrial	9 793					
Mozambique											
Angola Avenue Number 2289, Maputo, Mozambique	Jan-17	8 431	Feb-19	9 906	Industrial	12 006					
South Africa											
8th Avenue Industrial Estate, Western Cape	Dec-16	451	Feb-17	513	Industrial	1 410					
Baltex Road 3, KwaZulu-Natal	Dec-16	16 805	Feb-18	19 118	Industrial	35 193					
Benbow Avenue, Western Cape	Dec-16	1 360		1 305	Industrial	3 982					
Bougainvillia Road 19 and 21, KwaZulu-Natal	Dec-16	1 828	Feb-19	1 599	Industrial	31 290					
Cherry Road 2, KwaZulu-Natal	Dec-16	2 611	Feb-19	2 971	Industrial	8 466					
Circuit Road 22-28, KwaZulu-Natal	Dec-16	1 537		1 462	Industrial	4 970					
Circuit Road 32, KwaZulu-Natal	Dec-16	1 005	Feb-19	985	Industrial	2 781					
Cnr Molecule & Uranium Road (Land) – Brakpan, Gauteng	Dec-16	38	Feb-19	216	Industrial	13 017					
Cnr Molecule & Uranium Roads – Brakpan, Gauteng	Dec-16	2 834	Feb-19	3 089	Industrial	18 551					
Cnr Nobel & Price Streets, Gauteng	Dec-16	2 363	Feb-19	2 180	Industrial	14 348					
Cnr Wimbledon & School Roads – Wimbledon CT, Western Cape	Dec-16	2 324	Feb-19	2 540	Industrial	12 430					
Crewe Road 5, KwaZulu-Natal	Dec-16	8 746		8 318	Industrial	25 724					
Culvert Road – De Aar, Northern Cape	Dec-16	304	Feb-19	222	Industrial	4 408					
Dal Josafat, Western Cape	Dec-16	7 203		6 847	Industrial	32 462					
Diesel Road 160, Gauteng	Dec-16	6 848		6 511	Industrial	23 279					
Dodds Street 1, Gauteng	Dec-16	9 564	Feb-19	8 628	Industrial	43 556					
Drakensberg Drive 5, Gauteng	Dec-16	1 197	Feb-18	1 309	Industrial	3 179					
du Plessis Road 5, Gauteng	Dec-16	17 059	Feb-18	16 254	Industrial	69 452					
Edison Place 05, KwaZulu-Natal	Dec-16	329	Feb-19	377	Industrial	1 631					
Edmund Morewood Road 12, KwaZulu-Natal	Dec-16	1 168	Feb-19	732	Industrial	6 984					
Elgin Road – Pomona, Gauteng	Dec-16	5 275	Feb-19	5 102	Industrial	11 094					
Elmfield Place 07, KwaZulu-Natal	Dec-16	1 258	Feb-17	1 206	Industrial	4 100					
Emmanuel Road, Gauteng	Dec-16	6 825		6 501	Industrial	20 192					
Fibres Road 300, KwaZulu-Natal	Dec-16	32 125	Feb-18	32 883	Industrial	69 866					
Geleirgang Road 14, KwaZulu-Natal	Dec-16	877	Feb-17	1 056	Industrial	17 110					
Gillitts Road 68 – Pinetown, KwaZulu-Natal	Dec-16	1 222	Feb-18	1 401	Industrial	7 841					
Goodenough Avenue, Western Cape	Dec-16	9 918		9 466	Industrial	38 035					
Goodwood Road 62, KwaZulu-Natal	Dec-16	1 167	Feb-19	1 125	Industrial	2 682					
Gosforth Park – Massmart, Gauteng	Dec-16	39 909	Feb-17	44 415	Industrial	70 273					
Gosforth Park – Sasol, Gauteng	Dec-16	7 617	Feb-18	9 967	Industrial	18 907					
Greigcol, KwaZulu-Natal	Dec-16	248	Feb-17	218	Industrial	1 053					
Halifax Road 49, KwaZulu-Natal	Dec-16	5 609	Feb-17	5 292	Industrial	15 904					
Immelman Road – Wadeville, Gauteng	Dec-16	941	Feb-19	1 390	Industrial	5 376					
Joist Street – Isando, Gauteng	Dec-16	4 090	Feb-19	2 056	Industrial	6 046					
Joyner Road 23, KwaZulu-Natal	Dec-16	2 098	Feb-17	2 490	Industrial	7 407					
Joyner Road 31, KwaZulu-Natal	Dec-16	1 229	Feb-17	960	Industrial	2 799					
Joyner Road 6 – Isipingo, KwaZulu-Natal	Dec-16	2 632	Feb-19	3 311	Industrial	9 767					
Jurie Street 10 & 12 – Alrode Alberton, Gauteng	Dec-16	1 833	Feb-19	2 094	Industrial	13 012					
Kitshoff Road – Rosslyn Gauteng, Gauteng	Dec-16	1 029	Feb-19	1 200	Industrial	7 054					

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weigted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
Kubu Ave 52, KwaZulu-Natal	Dec-16	1 650	Feb-19	1 690	Industrial	4 203					
Laing Street 78 – George, Western Cape	Dec-16	221	Feb-17	255	Industrial	1 518					
Lily Van Niekerk Road – Boksburg East, Gauteng	Dec-16	1 187	Feb-17	1 227	Industrial	6 687					
Lincoln Road – Benoni South, Gauteng	Dec-16	2 042	Feb-19	2 228	Industrial	13 702					
Main Reef Road 138, Gauteng	Dec-16	782	Feb-17	325	Industrial	6 371					
Malone Road 19 – Pinetown, KwaZulu-Natal	Dec-16	1 942	Feb-19	2 411	Industrial	7 145					
Marthunisen Road (Erf 1530) – Roodekop, Gauteng	Dec-16	2 372	Feb-19	3 133	Industrial	15 526					
Marthunisen Road (Erf 3343) – Roodekop, Gauteng	Dec-16	4 116	Feb-19	4 785	Industrial	18 757					
Marthunisen Road (Erf3380) – Roodekop, Gauteng	Dec-16	10 754	Feb-19	12 762	Industrial	68 498					
Merlin Drive 2 – Parkhaven Boksburg, Gauteng	Dec-16	4 635	Feb-19	5 097	Industrial	5 992					
Mill Street 15 – Bloemfontein, Other	Dec-16	186	Feb-19	204	Industrial	2 547					
Morewood Road 20-34, KwaZulu-Natal	Dec-16	10 030	Feb-18	11 319	Industrial	57 154					
Ndlovu Park (Unilever), KwaZulu-Natal	Dec-16	22 078	Jun-18	22 614	Industrial	59 071					
Nicholson Road 6, KwaZulu-Natal	Dec-16	1 419		1 356	Industrial	6 234					
Nobel Boulevard, Gauteng	Dec-16	10 356		9 914	Industrial	84 406					
Potgieter Street – Alrode Alberton, Gauteng	Dec-16	5 937	Feb-19	6 560	Industrial	33 787					
Power Street – Germiston, Gauteng	Dec-16	1 996	Feb-19	2 011	Industrial	12 598					
Prospecton Road 23, KwaZulu-Natal	Dec-16	3 102	Feb-17	2 944	Industrial	8 420					
Pullinger Road 14/15 – Westonaria, Gauteng	Dec-16	426	Feb-17	463	Industrial	2 296					
Riana Road 6 – Rocky Drift White River, Other	Dec-16	168	Feb-19	203	Industrial	1 614					
Richard Carte Road 25, KwaZulu-Natal	Dec-16	11 958	Feb-18	11 380	Industrial	33 845					
Roan Crescent, Gauteng	Dec-16	2 778	Feb-18	3 392	Industrial	8 596					
Samrand Avenue West – Rossway Midrand, Gauteng	Dec-16	3 232	Feb-19	3 504	Industrial	15 544					
Setchel Road 05, Gauteng	Dec-16	2 033	Feb-17	2 484	Industrial	38 426					
Setchell Road – Roodekop, Gauteng	Dec-16	8 716	Feb-19	10 270	Industrial	51 680					
Shepstone & Henwood Road, KwaZulu-Natal	Dec-16	2 962	Feb-19	3 138	Industrial	11 767					
Spanner Road 41, Gauteng	Dec-16	6 085		5 818	Industrial	25 085					
Spartan Cresent, Gauteng	Dec-16	1 114	Feb-19	1 238	Industrial	3 428					
Steele Street 18 – Steeledale Alberton, Gauteng	Dec-16	1 314	Feb-19	1 527	Industrial	7 877					
Tannery Road 1, Default Area Code	Dec-16	712	Feb-19	484	Industrial	6 970					
Tom Muller Drive 2 – Meyerton, Gauteng	Dec-16	1 357	Feb-19	1 531	Industrial	9 138					
Uitenhage Road – Struandale PE, Eastern Cape	Dec-16	4 898	Feb-19	5 250	Industrial	30 193					
Van der Bijl Road 30 – Westonaria, Gauteng	Dec-16	1 209	Feb-19	1 332	Industrial	13 020					
Walter Hall Road 4 (GKN), KwaZulu-Natal	Dec-16	1 432	Feb-19	1 448	Industrial	12 713					
Walter Reid Road 09, KwaZulu-Natal	Dec-16	6 453	Feb-17	8 239	Industrial	57 223					
Walter Reid Road 13, KwaZulu-Natal	Dec-16	2 529	Feb-17	2 877	Industrial	10 159					
Wiganthorpe Road 17, KwaZulu-Natal	Dec-16	209	Feb-17	228	Industrial	1 100					
Wiganthorpe Road 27, KwaZulu-Natal	Dec-16	426	Feb-18	485	Industrial	1 548					
Woodlands Drive 12, KwaZulu-Natal	Dec-16	498	Feb-17	432	Industrial	2 977					
					Leisure: total	14 779	0.83%	7.54	0.57%	1.97%	7.38%
United Kingdom											
Cookridge Street, Leeds					Leisure	617					
Bolton – Ikon	Dec-15	247		259	Leisure						
Market Place, Bolton					Leisure	7 224					
25 Lime St, London					Leisure	133					
Zambia											
Plot 9, Cairo Road, Lusaka, Zambia	Mar-15	1 916		1 582	Leisure	6 805					

Property portfolio analysis (continued)

As at 28 February 2019

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weigted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom					Offices: total	60 490	3.42%	6.50	4.48%	7.91%	13.33%
Cookridge Street, Leeds	Sep-06	2 752	Aug-17	2 781	Offices	585					
Grays Inn, London	Jun-14	6 628	Aug-17	10 100	Offices	672					
Tagwright House	Dec-14				Offices	619					
25 Lime St, London	Dec-14	6 424	Feb-19	10 642	Offices	841					
24 Lime St, London	Apr-14	5 758	Feb-19	10 058	Offices	619					
Park Place, Leeds	Apr-15	786	Aug-17	1 160	Offices	541					
Central House, Leeds	Dec-14	1 603	Aug-17	3 110	Offices	942					
Wigmore Street, London	Apr-14	5 360	Aug-17	7 000	Offices	418					
Westbourne Centre, Barrhead	Oct-05	4 050	Dec-17	1 400	Offices	1 304					
Carter Lane, London	Feb-17	11 661	Sep-18	16 200	Offices	1 301					
Connolly Works, London	Oct-17	13 350	Feb-19	16 169	Offices	1 586					
South Africa											
Alice Street, Eastern Cape	Dec-16	532	Feb-17	535	Offices	863					
Berg Street 169, KwaZulu-Natal	Dec-16	1 155	Feb-19	872	Offices	1 878					
Burger Street 217, KwaZulu-Natal	Dec-16	893	Feb-18	768	Offices	1 399					
Bush Shrike VCC 6, KwaZulu-Natal	Dec-16	1 171	Feb-17	925	Offices	1 000					
Grahamstown – Rautenbach Rd, Eastern Cape	Dec-16	970	Feb-18	1 346	Offices	1 022					
Henwood Road 28, KwaZulu-Natal	Dec-16	2 438	Feb-19	1 782	Offices	6 072					
Jabu Ndlovu Street 166, KwaZulu-Natal	Dec-16	1 465	Feb-17	980	Offices	2 226					
Jeffares and Green Office Block, KwaZulu-Natal	Dec-16	3 316	Feb-18	2 211	Offices	2 587					
Kings Road 36, KwaZulu-Natal	Dec-16	1 708	Feb-17	1 342	Offices	3 960					
Mondi Park, KwaZulu-Natal	Dec-16	2 268	Feb-17	1 658	Offices	1 998					
Pin Oak Park, KwaZulu-Natal	Dec-16	1 335	Feb-19	883	Offices	1 774					
Pin Oak Parking, KwaZulu-Natal	Feb-19	117		117	Offices						
Platinum Drive 1, Gauteng	Dec-16	3 021	Feb-19	3 541	Offices	6 888					
Ridgeside Office Park, KwaZulu-Natal	Dec-16	6 509	Feb-18	6 019	Offices	4 024					
Sarlin, KwaZulu-Natal	Dec-16	2 010	Feb-19	2 153	Offices	2 960					
Strand Rd 14, Western Cape	Dec-16	3 186		2 180	Offices	3 759					
The Quarry Office Park, KwaZulu-Natal	Dec-16	983	Feb-17	836	Offices	1 503					
Unit 5 Quarry Office Park, KwaZulu-Natal	Dec-16	257	Feb-17	289	Offices	332					
Vryheid – 15 Stretch Crescent, KwaZulu-Natal	Dec-16	711	Feb-18	780	Offices	1 372					
DeTijger Business Park Medical Suites	Jan-18	4 830		5 019	Offices	1 125					
DeTijger Business Park	Jan-18	11		20	Offices	4 323					
					Retail: total	222 610	12.58%	6.42	4.32%	24.70%	8.84%
United Kingdom											
Ogden Road Industrial Estate, Doncaster	Dec-06	3 465	Aug-17	3 003	Retail	6 187					
Westbourne Centre, Barrhead	Oct-05				Retail	2 001					
Bitterne, Southampton	Sep-04	1 756	Aug-17	2 165	Retail	1 563					
High Street, Bromsgrove	Sep-04	1 272	Aug-17	940	Retail	1 703					
High Street, Johnstone	Oct-03	335		340	Retail	626					
24 Lime St, London	Dec-14				Retail	244					
25 Lime St, London	Apr-14				Retail	17					
St Catherine's Perth	Jun-11	12 132	Aug-17	11 000	Retail	6 039					
Market Place, Bolton	Nov-13	24 860	Feb-19	61 910	Retail	29 850					
Rutherglen	May-12	7 700	Dec-17	12 312	Retail	9 633					

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weigted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
Zambia											
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 454	Feb-19	2 439	Retail	3 009					
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 416	Feb-19	819	Retail	1 736					
Botswana											
Lot 1232, Maun, Botswana	Mar-15	587	Feb-19	669	Retail	816					
Mozambique											
Pemba Investment Company Limitada property	Jan-17		Feb-19	10 173	Retail	8 422					
Namibia											
Rundu Shopping Mall, Rundu	Mar-15	11 271	Sep-17	12 103	Retail	13 595					
Mega Centre, Windhoek	Mar-15	7 934	Sep-17	8 712	Retail	17 684					
Mutual Platz, Windhoek	Mar-15	14 480	Sep-17	12 181	Retail	16 223					
M&Z Ondangwa	Mar-15	660	Sep-17	708	Retail	2 128					
Gobabis Shopping Centre	Mar-18	1 123		7 064	Retail	10 215					
South Africa											
Church Street 178, KwaZulu-Natal	Dec-16	222	Feb-17	242	Retail	398					
Church Street 180, KwaZulu-Natal	Dec-16	665	Feb-17	481	Retail	887					
Church Street 182, KwaZulu-Natal	Dec-16	262	Feb-17	507	Retail	973					
Church Street 184, KwaZulu-Natal	Dec-16	480	Feb-18	495	Retail	623					
Church Street 199, KwaZulu-Natal	Dec-16	475	Feb-19	538	Retail	1 108					
Church Street 226, KwaZulu-Natal	Dec-16	285	Feb-17	425	Retail	605					
Church Street 228, KwaZulu-Natal	Dec-16	471	Feb-17	446	Retail	773					
Church Street 239, KwaZulu-Natal	Dec-16	935	Feb-17	760	Retail	1 200					
Church Street 240, KwaZulu-Natal	Dec-16	690	Feb-17	689	Retail	496					
Church Street 257 (Compen), KwaZulu-Natal	Dec-16	512	Feb-19	724	Retail	801					
Church Street 418, KwaZulu-Natal	Dec-16	236	Feb-17	271	Retail	1 256					
Church Street 428, KwaZulu-Natal	Dec-16	329	Feb-18	464	Retail	678					
Eagle Avenue & Iris Road, KwaZulu-Natal	Dec-16	1 015	Feb-17	323	Retail	3 026					
Ezulwini Royal Shopping Centre, KwaZulu-Natal	Dec-16	1 871	Feb-17	1 747	Retail	4 476					
Graaff Reinet, Eastern Cape	Dec-16	460	Feb-17	213	Retail	1 856					
Greyling Street 185, KwaZulu-Natal	Dec-16	300	Feb-17	449	Retail	1 316					
Greyling Street 201, KwaZulu-Natal	Dec-16	1 159	Feb-18	1 207	Retail	3 033					
Greyling Street 216, KwaZulu-Natal	Dec-16	131	Feb-17	186	Retail	485					
Howick Ave 5, Gauteng	Dec-16	3 980	Feb-18	2 045	Retail	6 171					
Mackeurtan Avenue 05-17, KwaZulu-Natal	Dec-16	1 758	Feb-19	1 846	Retail	958					
Mackeurtan Avenue 08-12, KwaZulu-Natal	Dec-16	1 488	Feb-17	1 269	Retail	1 366					
Mackeurtan Avenue 21-23, KwaZulu-Natal	Dec-16	841	Feb-17	813	Retail	630					
Mackeurtan Avenue 33, KwaZulu-Natal	Dec-16	2 021	Feb-18	2 532	Retail	2 489					
Main Street – Nongoma, KwaZulu-Natal	Dec-16	1 427	Feb-17	1 540	Retail	3 729					
Matatiele – Boxer Centre, Eastern Cape	Dec-16	4 525	Feb-18	5 050	Retail	6 743					
Matatiele – Market Square, Eastern Cape	Dec-16	1 971	Feb-17	1 994	Retail	3 165					
Mpumalanga West, Mpumalanga	Dec-16	1 044	Feb-17	1 194	Retail	2 467					
Nodwengu Shopping Centre, KwaZulu-Natal	Dec-16	2 185	Feb-17	2 737	Retail	3 966					
Nquthu Shopping Centre, KwaZulu-Natal	Dec-16	2 617	Feb-17	2 856	Retail	4 895					
Roodepoort – Lambert and van Wyk Street, Gauteng	Dec-16	1 299	Feb-17	1 446	Retail	6 222					
Ulundi – Rhino, KwaZulu-Natal	Dec-16	1 822	Feb-17	1 676	Retail	2 772					
Victoria Road 186 and 188, KwaZulu-Natal	Dec-16	669	Feb-17	608	Retail	2 210					

Property portfolio analysis (continued)

As at 28 February 2019

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weigted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
Victoria Road 241, KwaZulu-Natal	Dec-16	3 714	Feb-17	3 269	Retail	10 665					
West Street 448, KwaZulu-Natal	Dec-16	1 915	Feb-17	1 985	Retail	1 485					
West Street 452, KwaZulu-Natal	Dec-16	2 991	Feb-17	3 205	Retail	3 235					
Washington Street (Langa) , Westerm Cape				1 501	Retail under construction	2 250					
Nkandla, KwaZulu-Natal				738	Retail under construction	1 514					
Nquthu Spar, KwaZulu-Natal				116	Retail under construction						
Mamelodi, Gauteng				42	Retail under construction						
Madadeni, KwaZulu-Natal				185	Retail under construction						
Pontac Park, Western Cape				38	Retail under construction						
					Residential: total	6 813	0.38%	9.14	0.00%	1.09%	76.28%
United Kingdom											
Tagwright House	Dec-14	13 370	Aug-17	18 300	Residential	1 086					
119-125 Marygate, Berwick upon Tweed	Oct-03	387		75	Residential	197					
Avonview Apartments, London	Jul-16	5 134	Aug-17	5 200	Residential	530					
Mozambique											
Tete Hollow, Tete	Mar-15	2 220	Feb-19	887	Residential	5 000					
South Africa											
Mzuri Residential, Somerset West, Western Cape				7 724	Residential under contstruction						
				727 209		1 769 936	100%			100%	2.73%
The average annualised gross rental yield of the above properties amounts to				8.80%							

As at 28 February 2019

Tenant profile

	%
A – Large nationals, large listeds,and major franchisees	33.2%
B Government	3.5%
C – Nationals, listeds, franchisees	11.1%
D – Medium to large professional firms	30.0%
E – Private commerial tenants	19.2%
F – Private residential tenants	2.9%
	100%

Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	1.5%	5.7%	2.4%	54.5%
Leisure	0.3%	0.2%	0.0%	1.5%
Offices	1.2%	2.0%	1.2%	3.4%
Retail	2.4%	5.3%	4.3%	12.8%
Residential	1.1%	0.0%	0.0%	0.0%
	6.6%	13.3%	7.9%	72.2%

Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	6.1%	8.5%	2.7%	65.4%
Leisure	0.2%	0.3%	0.0%	0.4%
Offices	0.9%	1.0%	0.4%	1.1%
Retail	1.4%	1.9%	2.0%	7.5%
Residential	0.1%	0.0%	0.0%	0.0%
	8.7%	11.8%	5.2%	74.3%

Property portfolio analysis (continued)

As at 28 February 2018

Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weigted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
				Industrial: total	1 475 446	81.76%	2.49	7.06%	64.00%	1.52%
Mozambique										
Angola Avenue Number 2289, Maputo, Mozambique	Jan-17	8 431	8 618	Industrial	12 006					
South Africa										
8th Avenue Industrial Estate, Western Cape	Dec-16	451	556	Industrial	1 410					
Alumina Allee – Richards Bay, KwaZulu-Natal	Dec-16	377	485	Industrial	2 062					
Baltex Road 3, KwaZulu-Natal	Dec-16	16 805	22 064	Industrial	35 193					
Benbow Avenue, Western Cape	Dec-16	1 360	1 253	Industrial	3 982					
Bougainvillia Road 19, KwaZulu-Natal	Dec-16	404	655	Industrial	8 221					
Bougainvillia Road 21, KwaZulu-Natal	Dec-16	1 424	929	Industrial	24 432					
Cherry Road 2, KwaZulu-Natal	Dec-16	2 611	3 265	Industrial	8 466					
Circuit Road 22-28, KwaZulu-Natal	Dec-16	1 537	1 684	Industrial	4 970					
Circuit Road 32, KwaZulu-Natal	Dec-16	1 005	1 067	Industrial	2 781					
Cnr Cresecent & Bamboesvlei Road – Ottery CT, Western Cape	Dec-16	809	1 052	Industrial	3 385					
Cnr Molecule & Uranium Road (Land) – Brakpan, Gauteng	Dec-16	38	56	Industrial	13 017					
Cnr Molecule & Uranium Roads – Brakpan, Gauteng	Dec-16	2 834	3 415	Industrial	18 551					
Cnr Nobel & Price Streets, Gauteng	Dec-16	2 363	3 017	Industrial	14 348					
Cnr Wimbledon & School Roads – Wimbledon CT, Western Cape	Dec-16	2 324	3 021	Industrial	12 430					
Crewe Road 5, KwaZulu-Natal	Dec-16	8 746	9 581	Industrial	25 724					
Culvert Road – De Aar, Northern Cape	Dec-16	304	381	Industrial	4 408					
Dal Josafat, Western Cape	Dec-16	7 203	7 887	Industrial	32 462					
Diesel Road 160, Gauteng	Dec-16	6 848	7 499	Industrial	23 279					
Dodds Street 1, Gauteng	Dec-16	9 564	10 178	Industrial	43 556					
Drakensberg Drive 5, Gauteng	Dec-16	1 197	1 383	Industrial	3 179					
du Plessis Road 5, Gauteng	Dec-16	17 059	18 188	Industrial	69 452					
Edison Place 05, KwaZulu-Natal	Dec-16	329	389	Industrial	1 631					
Edmund Morewood Road 12, KwaZulu-Natal	Dec-16	1 168	691	Industrial	6 984					
Effingham Road 747 – Redhill Durban North, KwaZulu-Natal	Dec-16	959	1 225	Industrial	3 606					
Elgin Road – Pomona, Gauteng	Dec-16	5 275	7 127	Industrial	11 094					
Elmfield Place 07, KwaZulu-Natal	Dec-16	1 258	1 537	Industrial	4 100					
Emmanuel Road, Gauteng	Dec-16	6 825	7 488	Industrial	20 192					
Fibres Road 300, KwaZulu-Natal	Dec-16	32 125	37 307	Industrial	69 866					
Geleirgang Road 14, KwaZulu-Natal	Dec-16	877	1 173	Industrial	17 110					
Gillitts Road 68 – Pinetown, KwaZulu-Natal	Dec-16	1 222	1 566	Industrial	7 841					
Goodenough Avenue, Western Cape	Dec-16	9 918	10 903	Industrial	38 035					
Goodenough Avenue 10 – Epping WC, Western Cape	Dec-16	1 234	1 499	Industrial	6 922					
Goodwood Road 62, KwaZulu-Natal	Dec-16	1 167	1 467	Industrial	2 275					
Gosforth Park – Massmart, Gauteng	Dec-16	39 909	50 882	Industrial	70 273					
Gosforth Park – Sasol, Gauteng	Dec-16	7 617	10 694	Industrial	18 907					
Greigcol, KwaZulu-Natal	Dec-16	248	245	Industrial	1 053					
Halifax Road 49, KwaZulu-Natal	Dec-16	5 609	5 636	Industrial	15 904					
Immelman Road – Wadeville, Gauteng	Dec-16	941	1 221	Industrial	5 376					
Joist Street – Isando, Gauteng	Dec-16	4 090	4 967	Industrial	6 046					
Joyner Road 23, KwaZulu-Natal	Dec-16	2 098	2 607	Industrial	7 407					

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South Africa (continued)										
Joyner Road 31, KwaZulu-Natal	Dec-16	1 229	1 594	Industrial	2 799					
Joyner Road 6 – Isipingo, KwaZulu-Natal	Dec-16	2 632	3 355	Industrial	9 767					
Jurie Street 10 & 12 – Alrode Alberton, Gauteng	Dec-16	1 833	2 236	Industrial	13 012					
Kitshoff Road – Rosslyn Gauteng, Gauteng	Dec-16	1 029	1 297	Industrial	7 054					
Kubu Ave 52, KwaZulu-Natal	Dec-16	1 650	1 821	Industrial	4 203					
Laing Street 78 – George, Western Cape	Dec-16	221	302	Industrial	1 518					
Lily Van Niekerk Road – Boksburg East, Gauteng	Dec-16	1 187	1 398	Industrial	6 687					
Lincoln Road – Benoni South, Gauteng	Dec-16	2 042	2 480	Industrial	13 702					
Main Reef Road 138, Gauteng	Dec-16	782	370	Industrial	6 795					
Malone Road 19 – Pinetown, KwaZulu-Natal	Dec-16	1 942	2 500	Industrial	7 145					
Marthunisen Road (Erf 1530) – Roodekop, Gauteng	Dec-16	2 372	3 006	Industrial	15 526					
Marthunisen Road (Erf 3343) – Roodekop, Gauteng	Dec-16	4 116	5 184	Industrial	18 757					
Marthunisen Road (Erf3380) – Roodekop, Gauteng	Dec-16	10 754	14 326	Industrial	68 498					
Merlin Drive 2 – Parkhaven Boksburg, Gauteng	Dec-16	4 635	5 788	Industrial	5 992					
Mill Street 15 – Bloemfontein, Other	Dec-16	186	255	Industrial	2 547					
Morewood Road 20-34, KwaZulu-Natal	Dec-16	10 030	12 292	Industrial	58 140					
Ndlovu Park (Unilever), KwaZulu-Natal	Dec-16	22 078	25 883	Industrial	59 071					
Nicholson Road 6, KwaZulu-Natal	Dec-16	1 419	1 301	Industrial	6 234					
Nobel Boulevard, Gauteng	Dec-16	10 356	11 102	Industrial	84 406					
Potgieter Street – Alrode Alberton, Gauteng	Dec-16	5 937	7 458	Industrial	33 787					
Power Street – Germiston, Gauteng	Dec-16	1 996	2 562	Industrial	12 598					
Prospecton Road 23, KwaZulu-Natal	Dec-16	3 102	3 618	Industrial	8 420					
Pullinger Road 14/15 – Westonaria, Gauteng	Dec-16	426	528	Industrial	2 296					
Riana Road 6 – Rocky Drift White River, Other	Dec-16	168	227	Industrial	1 614					
Richard Carte Road 25, KwaZulu-Natal	Dec-16	11 958	14 136	Industrial	33 845					
Roan Crescent, Gauteng	Dec-16	2 778	3 626	Industrial	8 596					
Samrand Avenue West – Rossway Midrand, Gauteng	Dec-16	3 232	4 043	Industrial	15 544					
Setchel Road 05, Gauteng	Dec-16	2 033	2 671	Industrial	38 426					
Setchell Road – Roodekop, Gauteng	Dec-16	8 716	11 082	Industrial	51 680					
Shepstone & Henwood Road, KwaZulu-Natal	Dec-16	2 962	3 720	Industrial	11 767					
Spanner Road 41, Gauteng	Dec-16	6 085	6 702	Industrial	25 085					
Spartan Cresent, Gauteng	Dec-16	1 114	1 398	Industrial	3 428					
Steele Street 18 – Steeledale Alberton, Gauteng	Dec-16	1 314	1 686	Industrial	7 877					
Tannery Road 1, Default Area Code	Dec-16	712	615	Industrial	7 160					
Timmerman Street – Kimberely, Other	Dec-16	85	113	Industrial	2 290					
Tom Muller Drive 2 – Meyerton, Gauteng	Dec-16	1 357	1 636	Industrial	9 138					
Uitenhage Road – Struandale PE, Eastern Cape	Dec-16	4 898	6 033	Industrial	30 193					
Van der Bijl Road 30 – Westonaria, Gauteng	Dec-16	1 209	1 513	Industrial	13 020					
Walter Hall Road 4 (GKN), KwaZulu-Natal	Dec-16	1 432	1 877	Industrial	12 713					
Walter Reid Road 09, KwaZulu-Natal	Dec-16	6 453	8 091	Industrial	56 396					
Walter Reid Road 13, KwaZulu-Natal	Dec-16	2 529	3 045	Industrial	10 159					
Wiganthorpe Road 17, KwaZulu-Natal	Dec-16	209	253	Industrial	1 100					
Wiganthorpe Road 27, KwaZulu-Natal	Dec-16	426	568	Industrial	1 548					
Woodlands Drive 12, KwaZulu-Natal	Dec-16	498	546	Industrial	2 977					

Property portfolio analysis (continued)

At 28 February 2018

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weigted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
United Kingdom				Leisure: total	14 326	0.79%	7.37	0.39%	1.56%	8.52%
Cookridge Street, Leeds				Leisure	617					
Bolton – Ikon		247	259	Leisure						
Market Place, Bolton				Leisure	6 771					
25 Lime St, London				Leisure	133					
Zambia										
Plot 9, Cairo Road, Lusaka, Zambia	Mar-15	1 916	1 772	Leisure	6 805					
United Kingdom				Offices: total	67 928	3.76%	7.94	4.60%	7.27%	8.71%
Wilmingtone Grove, Leeds	May-06	3 470	1 150	Offices	5 853					
Cookridge Street, Leeds	Sep-06	2 752	2 640	Offices	585					
Grays Inn, London	Jun-14	6 628	10 100	Offices	643					
Tagwright House				Offices	619					
25 Lime St, London	Dec-14	6 424	8 740	Offices	841					
24 Lime St, London	Apr-14	5 758	8 260	Offices	619					
Rutherglen				Offices	152					
Park Place, Leeds	Apr-15	786	1 118	Offices	541					
Central House, Leeds	Dec-14	1 603	2 919	Offices	942					
Wigmore Street, London	Apr-14	5 360	7 000	Offices	418					
Westbourne Centre, Barrhead	Oct-05	4 050	1 400	Offices	1 901					
Carter Lane, London	Feb-17	11 661	11 666	Offices	1 301					
Connolly Works, London	Oct-17	13 350	14 216	Offices	1 586					
South Africa										
Alice Street, Eastern Cape	Dec-16	532	558	Offices	863					
Berg Street 169, KwaZulu-Natal	Dec-16	1 155	1 169	Offices	1 878					
Burger Street 217, KwaZulu-Natal	Dec-16	893	1 149	Offices	1 399					
Bush Shrike VCC 6, KwaZulu-Natal	Dec-16	1 171	1 253	Offices	1 000					
Grahamstown – Rautenbach Rd, Eastern Cape	Dec-16	970	1 365	Offices	1 022					
Henwood Road 28, KwaZulu-Natal	Dec-16	2 438	1 951	Offices	6 072					
Jabu Ndlovu Street 166, KwaZulu-Natal	Dec-16	1 465	1 566	Offices	2 226					
Jeffares and Green Office Block, KwaZulu-Natal	Dec-16	3 316	4 032	Offices	2 587					
Kings Road 36, KwaZulu-Natal	Dec-16	1 708	1 470	Offices	3 960					
Mondi Park, KwaZulu-Natal	Dec-16	2 268	2 515	Offices	1 998					
Murchison Street 43 (Ladysmith), KwaZulu-Natal	Dec-16	423	415	Offices	732					
Pin Oak Park, KwaZulu-Natal	Dec-16	1 335	821	Offices	1 774					
Platinum Drive 1, Gauteng	Dec-16	3 021	3 799	Offices	6 888					
Prospect Street 2, Eastern Cape	Dec-16	539	445	Offices	533					
Ridgeside Office Park, KwaZulu-Natal	Dec-16	6 509	8 420	Offices	4 024					
Sarlin, KwaZulu-Natal	Dec-16	2 010	2 354	Offices	2 960					
Strand Rd 14, Western Cape	Dec-16	3 186	2 115	Offices	3 759					
The Quarry Office Park, KwaZulu-Natal	Dec-16	983	1 118	Offices	1 311					
Unit 5 Quarry Office Park, KwaZulu-Natal	Dec-16	257	335	Offices	332					
Vryheid – 15 Stretch Crescent, KwaZulu-Natal	Dec-16	711	831	Offices	1 372					
DeTijger Business Park Medical Suites	Jan-18	4 830	5 924	Offices	1 125					
DeTijger Business Park	Jan-18	11	11	Offices	4 115					

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weigted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
				Retail: total	214 946	11.91%	7.57	4.57%	23.09%	5.56%
United Kingdom										
Ogden Road Industrial Estate, Doncaster	Dec-06	3 465	3 000	Retail	6 187					
Westbourne Centre, Barrhead	Jan-00			Retail	2 001					
Bitterne, Southampton	Sep-04	1 756	2 075	Retail	1 563					
High Street, Bromsgrove	Sep-04	1 272	941	Retail	1 703					
High Street, Johnstone	Oct-03	335	435	Retail	626					
24 Lime St, London				Retail	244					
25 Lime St, London				Retail	17					
Dalrympal Street, Girvan	Oct-03	147	246	Retail	525					
Grays Inn, London				Retail	29					
St Catherine's Perth	Jun-11	12 132	11 000	Retail	6 039					
Market Place, Bolton	Nov-13	2 486	68 781	Retail	30 112					
Rutherglen	May-12	7 700	11 970	Retail	9 596					
Zambia										
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 454	2 658	Retail	3 009					
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 416	1 673	Retail	1 736					
Botswana										
Lot 1232, Maun, Botswana	Mar-15	587	607	Retail	816					
Mozambique										
Tradehold Mozambique Limitada property	Jun-15		1 331	Retail under construction						
Pemba Investment Company Limitada property	Jan-17		12 144	Retail under construction	8 422					
Namibia										
Rundu Shopping Mall, Rundu	Mar-15	11 271	13 513	Retail	13 595					
Mega Centre, Windhoek	Mar-15	7 934	9 998	Retail	17 684					
Mutual Platz, Windhoek	Mar-15	14 480	16 736	Retail	16 223					
M&Z Ondangwa	Mar-15	660	778	Retail	2 128					
South Africa										
Church Street 178, KwaZulu-Natal	Dec-16	222	293	Retail	398					
Church Street 180, KwaZulu-Natal	Dec-16	665	513	Retail	887					
Church Street 182, KwaZulu-Natal	Dec-16	262	486	Retail	973					
Church Street 184, KwaZulu-Natal	Dec-16	480	605	Retail	623					
Church Street 199, KwaZulu-Natal	Dec-16	475	651	Retail	1 108					
Church Street 226, KwaZulu-Natal	Dec-16	285	404	Retail	605					
Church Street 228, KwaZulu-Natal	Dec-16	471	458	Retail	773					
Church Street 239, KwaZulu-Natal	Dec-16	935	1 008	Retail	1 200					
Church Street 240, KwaZulu-Natal	Dec-16	690	935	Retail	496					
Church Street 257 (Compen), KwaZulu-Natal	Dec-16	512	775	Retail	850					
Church Street 374, KwaZulu-Natal	Dec-16	1 170	1 332	Retail	2 617					
Church Street 418, KwaZulu-Natal	Dec-16	236	289	Retail	1 256					
Church Street 428, KwaZulu-Natal	Dec-16	329	461	Retail	678					
Eagle Avenue & Iris Road, KwaZulu-Natal	Dec-16	1 015	372	Retail	3 026					
Eshowe – Osborne Road, KwaZulu-Natal	Dec-16	806	862	Retail	1 173					
Ezulwini Royal Shopping Centre, KwaZulu-Natal	Dec-16	1 871	2 240	Retail	4 476					
Graaff Reinet, Eastern Cape	Dec-16	460	236	Retail	1 856					
Greyling Street 185, KwaZulu-Natal	Dec-16	300	456	Retail	1 316					
Greyling Street 201, KwaZulu-Natal	Dec-16	1 159	1 432	Retail	3 033					
Greyling Street 216, KwaZulu-Natal	Dec-16	131	222	Retail	485					
Howick Ave 5, Gauteng	Dec-16	3 980	3 319	Retail	6 171					

Property portfolio analysis (continued)

At 28 February 2018

Location	Effective date of acquisition	Purchase price (£'000)	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weigted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
South Africa (ontinued)										
King William's Town – Cathcart Street 70, Eastern Cape	Dec-16	676	492	Retail	1 511					
Mackeurtan Avenue 05-17, KwaZulu-Natal	Dec-16	1 758	2 050	Retail	955					
Mackeurtan Avenue 08-12, KwaZulu-Natal	Dec-16	1 488	1 466	Retail	1 555					
Mackeurtan Avenue 21-23, KwaZulu-Natal	Dec-16	841	848	Retail	630					
Mackeurtan Avenue 33, KwaZulu-Natal	Dec-16	2 021	2 452	Retail	2 489					
Main Street – Nongoma, KwaZulu-Natal	Dec-16	1 427	1 768	Retail	3 729					
Matatiele – Boxer Centre, Eastern Cape	Dec-16	4 525	5 286	Retail	6 743					
Matatiele – Market Square, Eastern Cape	Dec-16	1 971	2 024	Retail	3 165					
Mpumalanga West, Mpumalanga	Dec-16	1 044	1 321	Retail	2 467					
Nodwengu Shopping Centre, KwaZulu-Natal	Dec-16	2 185	2 894	Retail	3 966					
Nquthu Shopping Centre, KwaZulu-Natal	Dec-16	2 617	2 878	Retail	4 895					
Roodepoort – Lambert and van Wyk Street, Gauteng	Dec-16	1 299	1 515	Retail	6 222					
Ulundi – Rhino, KwaZulu-Natal	Dec-16	1 822	1 868	Retail	2 772					
Victoria Road 186 and 188, KwaZulu-Natal	Dec-16	669	755	Retail	2 210					
Victoria Road 241, KwaZulu-Natal	Dec-16	3 714	3 622	Retail	10 665					
West Street 448, KwaZulu-Natal	Dec-16	1 915	2 053	Retail	1 485					
West Street 452, KwaZulu-Natal	Dec-16	2 991	3 687	Retail	3 235					
Mzuri Lifetsyle, Somerset West, Western Cape			81	Retail under construction						
Washington Street (Langa) , Westerm Cape			82	Retail under construction						
Nkandla, KwaZulu-Natal			384	Retail under construction						
Nquthu Spar, KwaZulu-Natal			5	Retail under construction						
Mamelodi, Gauteng			29	Retail under construction						
				Residential: total	31 912	1.77%	8.00	2.24%	4.07%	16.59%
United Kingdom										
Tagwright House	Dec-14		18 300	Residential	1 086					
119-125 Marygate, Berwick upon Tweed	Oct-03		150	Residential	295					
Avonview Apartments, London	Jul-16		5 190	Residential	530					
Mozambique										
Tete Hollow, Tete	Mar-15	2 220	687	Residential	5 000					
Acacia Estate (previously Cognis), Maputo, Mozambique	Aug-14	3 413	44 715	Residential	25 000					
South Africa										
Mzuri Residential, Somerset West, Western Cape			5 861	Residential under contstruction						
			841 647		1 804 558	100%			100%	2.59%

The average annualised gross rental yield of the above properties amounts to 9.18%

Tenant profile

	%
A – Large nationals, large listeds,and major franchisees	32.3%
B Government	3.2%
C – Nationals, listeds, franchisees	12.5%
D – Medium to large professional firms	35.8%
E – Private commerial tenants	13.0%
F – Private residentail tenants	3.1%
	100%

Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	1.8%	2.8%	4.7%	54.4%
Leisure	0.1%	0.2%	0.0%	1.2%
Offices	2.2%	1.8%	0.9%	2.4%
Retail	3.7%	1.8%	2.1%	15.8%
Residential	1.0%	0.1%	0.0%	3.0%
	8.8%	6.7%	7.7%	76.8%

Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	5.8%	4.4%	8.7%	63.3%
Leisure	0.0%	0.3%	0.0%	0.4%
Offices	1.1%	0.6%	0.7%	1.0%
Retail	2.2%	0.7%	1.4%	7.5%
Residential	0.1%	0.0%	0.0%	1.6%
	9.4%	6.0%	10.8%	73.8%

Shareholders' profile

	Number of holders	Percentage of shareholders	Number of shares held	Percentage holding
Distibution of shareholders				
Non-public shareholders				
Directors	5	0.28	161 383 723	63.73
Public shareholders	1 767	99.72	91 837 243	36.27
Total	1 772	100.00	253 220 966	100.00

	Number of shares held	Percentage holding
Major shareholders		
Granadino Investments (Pty) Ltd	85 175 461	33.6
Redbill Holdings (Pty) Limited	32 320 694	12.8
Titan Global Investments (Pty) Ltd	29 672 975	11.7
Teez Away Trading (Pty) Limited	29 044 450	11.5
H Collins and Son (Pty) Limited	15 224 977	6.0
Titan Share Dealers (Pty) Limited	10 584 991	4.2

Directors' interest

At 28 February 2019 the interest of the directors in the issued shares in the company were as follows:

	Direct beneficial	Indirect non-beneficial	Total 2019	Total 2018
K R Collins	468 107	32 320 694	32 788 801	29 086 857
F H Esterhuyse	—	2 933 772	2 933 772	2 833 843
D A Harrop	—	—	—	—
K L Nordier	196 383	—	196 383	191 174
LL Porter	—	—	—	
M J Roberts	—	—	—	—
H R W Troskie	—	—	—	—
T A Vaughan	—	—	—	532 456
C H Wiese	—	125 433 427	125 433 427	121 301 896
J D Wiese	—	31 340	31 340	30 308
	664 490	160 719 233	161 383 723	153 976 534

There have been no changes in the interest of the directors between 28 February 2019 and the date of approval of these annual financial statements.

Shareholders' information

Enquiries

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

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

Additional copies of annual financial statements

Additional copies of the report are obtainable from:

South Africa: The Company Secretary, Tradehold Ltd, 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

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