TRADEHOLD LTD

INTEGRATED REPORT 2021

POSITIONING

Tradehold's net assets at the reporting date were split across the United Kingdom in pound sterling (40.4%), United States dollar assets in Africa (8%), Euro assets in Austria (6.8%) and the balance in South African rand (44.8%). In South Africa it owns 74.3% of the Collins Property Group (after the investment by I-Group). In the UK it holds 100% of the Moorgarth Property Group, including a 90% stake in Boutique, a provider of flexible office accommodation in Greater London. Moorgarth owns a number of Boutique's sites.

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CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS

Stakeholder approach

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

Financial performance

Although the group reported a net loss of £39.7 million, £44.5 million of this is due to non-cash investment property devaluations resulting from the Covid-19 pandemic, of which £33 million relates to its United Kingdom properties. A further non-cash loss of £10.7m was incurred, which is not Covid related and comprises a once-off breakage costs on Collins fixed rate hedge unwinds, part of a debt restructure which has contributed to a reduction in interest cost from an average of 11.3% to 8.4% (approximately R80 million saving per year). Tradehold ended the year with an improved cash position of £25.4 million.

Total assets now amount to £808 million (2020: £883 million). The decrease is mainly due to a reduction in Moorgarth's total assets of £41.6 million, resulting from losses on fair value adjustments to investment properties (including lease assets) of £27 million, and losses from joint ventures of £11.4 million. Collins total assets have decreased by £21.3 million due to the adverse effects of the deterioration in the exchange rate of the ZAR against £ on Collins total assets. Revenue was £74.3 million (2020: £94.6 million).

Headline loss per share was 1.9 pence, down from last year's earnings of 9.5 pence, and tangible net asset value per share (as defined by management) was 94 pence/R 19.75, compared to 120 pence/R24.05 in the corresponding year.

The sum-of-the-parts valuation per share (as defined by management) was 96.9 pence/R20.30, compared to 122.8 pence/R24.60 in the corresponding period.

Business environment

Conditions in the UK and South Africa became even more challenging than in the previous year, given the ongoing loss, disruption and uncertainty posed by the persistence of the pandemic. We mention elsewhere in this report the extent to which this impacted the British economy that dropped by an unprecedented 10% in 2020. Not only was this the biggest ever recorded annual decrease in British history but in some of the major cities, lockdowns and public fear saw footfall plummeting by as much as 85%. This has been devastating for traditional retail.

The new work-from-home trend has also affected our mainstream commercial business in the UK.

South Africa, where year-on-year growth has stayed virtually flat and joblessness continues to rise, the trading climate remains extremely harsh. Thus far, Government's promised economic stimulus interventions have not yielded any growth or prospects for growth in the short-term.

Operational performance

Collins Group

A significant step for the group was making its first offshore investment. Just before year-end it bought six properties with a combined gross lettable area (GLA) of more than 50 000 square metres in Austria. The new properties, which constitute 7% of Collins's overall portfolio and have a combined value of R604 million (€33.2 million), are all underpinned by ten-year leases to OBI, the largest DIY retailer in Europe. All were bought at a 7% yield.

Management intends to further pursue such overseas investments in established markets to achieve currency and market diversification and provide local investors with an opportunity to spread their risk and exposure.

Locally, negative growth, very weak demand and a glut of stock have severely hampered property companies. Nevertheless, Collins achieved revenue growth of 3.4%, excluding straight-line rental adjustments, Covid remissions on a like-for-like basis and excluding sold and new acquisitions. This performance was enhanced by long-term leases, with the weighted average expiry date maintained at 6.5 years.

Despite the extremely difficult trading environment, Collins managed to restrict vacancies to a low 2.3% across the portfolio, with its combined GLA of close to 1.5 million square metres. During the year 176 000 square metres of new lettings were achieved. Industrial and convenience retail in South Africa, that together represent 88% of the total portfolio, held up well. Vacancies in the company's South African retail division improved from 6% to 4.9%.

Despite cash-flow difficulties experienced by many businesses, Collins succeeded in collecting 97% of what was due and payable during the year, a reflection of the quality of its tenants. Currently, 78% of its revenue is derived from large national and/or listed companies.

CH WIESE CHAIRMAN

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CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS (CONTINUED)

Collins continued to dispose of non-core assets, upgrading the composition of the portfolio and improving the consistency and quality of its income stream. These non-core assets comprise mainly smaller and mostly commercial buildings, some of which were leased to the government. Seven properties totalling R227 million were transferred at a small loss to book value of R1.3 million. Another nine properties offering mainly office accommodation, should soon be transferred to their new owners.

Collins is constantly looking at ways to reduce the cost of debt to increase profitability. It was able to reduce average cost of debt from 11.3% to 8.4%, with 75% of that debt still fixed. This was achieved by breaking long-dates fixes in March last year when the long bond ran, and unwinding an inflation-linked hedge and using the proceeds from that gain (R228 million) to break and refix R1.5 billion of debt. The overall debt restructuring was achieved at a total cash cost of just R8 million, with an interest saving of approximately R80 million per annum.

In the year to February, Collins reported a loss before minorities of R183.5 million, significantly down from last year's comparable profit of R330.8 million, mainly due to once off non-recurring losses on the unwinding of CPI and fixed interest rate hedges of R228.7 million and fair value losses on properties of R180 million (2020: fair value gain of R177 million).

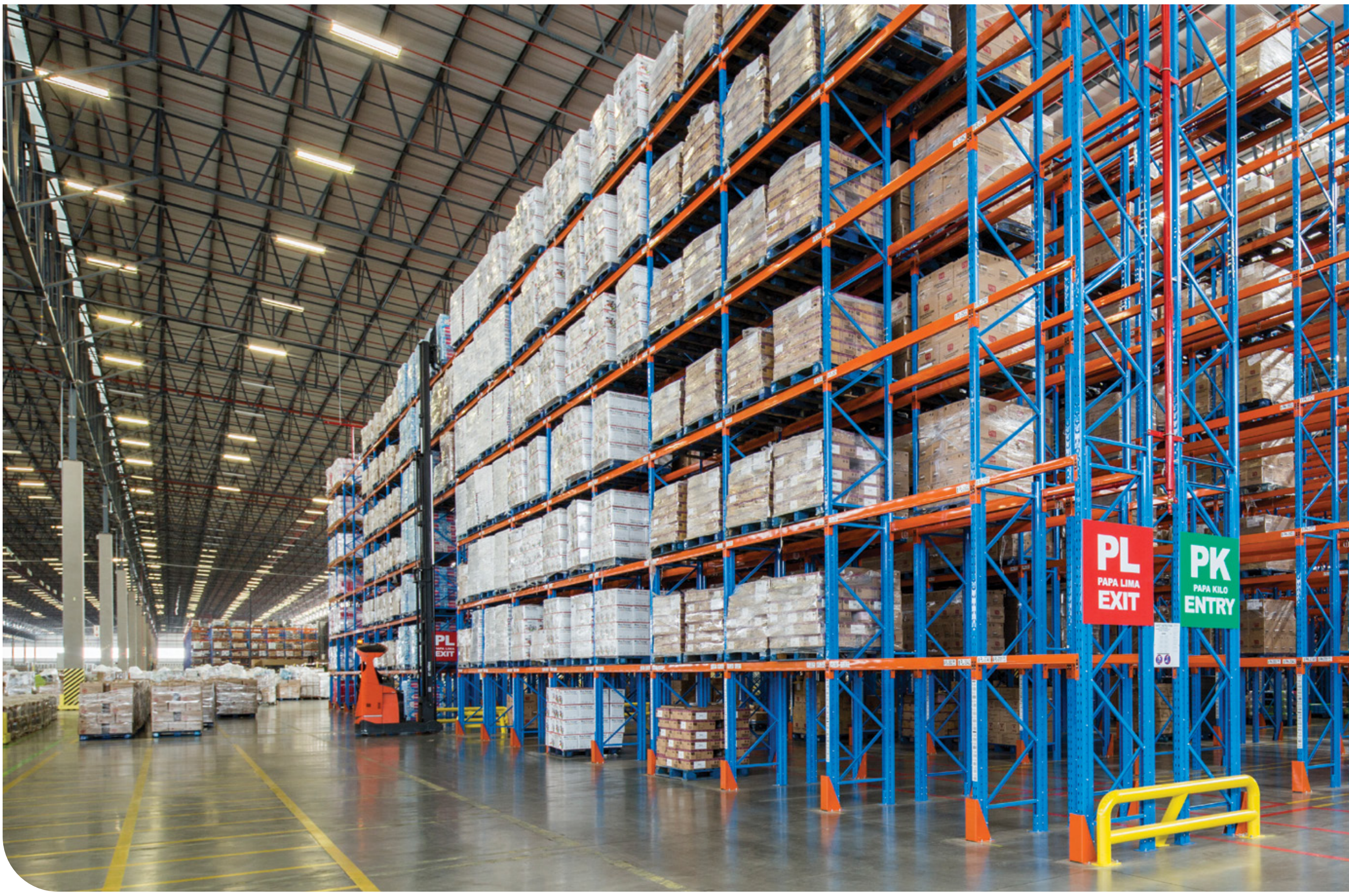
The total Collins portfolio was £444 million (R9 310.8 million) at the reporting date, compared with £438 million (R8 776.3 million) as at 29 February 2020, boosted by the acquisition of a portfolio of Austrian retail properties valued at R604 million. The pound value has been adversely affected by the currency deterioration of the South African rand to pound sterling (R20.96 at the reporting date compared to R20.04 at 29 February 2020).

The Collins Group share of group net loss after minorities was a loss of £6.9 million (2020: profit £13.2 million).

The Collins Group's total contribution to tangible net asset value per share is 47.7 pence (R9.99) (2020: 59.3 pence (R11.88)).

Moorgarth

The global pandemic, combined with the last-minute settlement reached with Brexit, created a tumultuous year in the UK. The economy plunged almost 10%, its largest fall in history. This was largely the result of three lockdowns during the year. Non-essential shops, pubs and restaurants were forced to close while all leisure activity was effectively placed on hold.



Despite such setbacks, Moorgarth showed remarkable resilience, with rent recoveries maintained at 78% of total amounts due. This is after deducting write-offs that were limited to 7% on rent and 5% on service charges. This contrasts with rent collections elsewhere of 20% to 50% in shopping centres across the UK.

Market conditions severely impacted retail which represent 37% of Moorgarth's portfolio by value (2020: 54%). The reduction is in part due to repurposing spaces but also reduction in value. These properties were unavoidably affected by as much as an 85% drop in footfall in the country's major cities, compounded by the rise in on-line shopping from 19% in the previous financial year to over 40%. This is expected to normalise nearer to 25% going forward. The company is consequently keen to reduce its exposure to traditional retail through a continuing process of repurposing existing spaces away from retail and a measured sale of assets that we believe have reached their potential. The focus for management will be to retain those assets that provide an acceptable and long-term income stream without significant capital expenditure requirements.

Throughout the year management's focus was on letting voids where possible across the portfolio. It was particularly successful in its shopping centre in Reading Thames Valley to the west of London, where newly created units following reconfiguration of a department store were successfully relet. The centre remained open during the three lockdowns due to its NHS and essential retail tenants. Planning consent was also secured for a large residential component in 2020.

Management has been prudently driving down operating costs. It has also made use of government assistance where possible in terms of furlough. The staff complement was reduced from 29 at its peak to 19 by not replacing leavers and a redundancy programme.

Moorgarth's capital expenditure programme was also managed with great care. Overall, the company was able to reduce or postpone £1.5 million of the capex spend planned for this year.

Managing the company's operating cash position, minimising capital expenditure and letting the present vacant space in the portfolio will be the focus in the year ahead. As the country emerges from the pandemic, the company will continue to innovate and to reimagine its available space to meet new demands. Management will continue focusing on restructuring the portfolio to release cash for future growth.

Moorgarth's share of the group net loss was a loss of £31.1 million, against a loss of £8 million in 2020.

The value of Moorgarth's portfolio (excluding IFRS 16 right-of-use assets) dropped to £217.8 million from £248.2 million if its interest in joint ventures (not reflected in the balance sheet) is included. The decrease was mainly due to fair-value losses on investment properties (excluding IFRS 16 fair-value losses on right-of-use assets) of £33.5 million (2020: loss of £13.6 million), of which £11.4 million relates to the joint venture held properties.

Moorgarth's contribution to tangible net asset value per share was 33.2 pence (R6.95) (2020: 44.9 pence (R9)).

CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS (CONTINUED)

Boutique

Boutique offers flexible office accommodation in more than 32 buildings in greater London. Together, they offer some 4 800 individual workstations in a modern flexible office environment. Some of the buildings are owned by Moorgarth which buys and equips them for Boutique's needs.

At the beginning of the year under review, Boutique's occupancy rate was 92% and the company was set for a year of strong financial growth and continued expansion. The pandemic meant Boutique had to adapt rapidly to meet the challenges of a much-changed environment, shifting its focus from expanding to surviving the pandemic.

The emphasis thus moved to retaining existing clients. Boutique ended the reporting period with an occupancy level of 67%, while carefully managing cashflow. General operating costs were reduced by up to a third. The company ended the year in a strong cash position, partially due to an advance rent payment of £2 million by its biggest tenant. As a leaner organisation it is well equipped to face future changes in the environment.

Whilst the work from home trend will continue, the necessity to have central offices on a flexible occupational agreement will really strengthen the flexible office market in the future. This has been demonstrated as Boutique experienced a record-breaking month in March 2021 as businesses plan for a return to a more flexible office environment. Of the 529 workstations sold in March 2021, 60% of the tenants are to move in before end May and the remaining 40% before end June of this year.

With prime London facing saturation in terms of the number of competitors and with the global shift to more flexible working hours, management's focus for the next 12 to 24 months will be on the affluent suburbs of major cities. These offer many opportunities with great potential as well as landlords keen to work with experienced operators such as Boutique on a management contract basis. Such contracts are attractive to Boutique as they do not require significant capital commitment while operational liabilities remain with the landlord.

Boutique's EBITDA (earnings before interest, tax, amortisation and depreciation) for the financial year was £364 000 (2020: £2.1 million), before adjusting for the IFRS 16 reporting requirements.

Nguni Group (Namibia)

The potential transaction referred to at half-year in terms of which Tradehold would sell its entire Namibian portfolio to a single investor did not materialise. The Nguni portfolio, geared mainly to retail, office accommodation and hospitality, was severely impacted by the pandemic. Turnover dropped 12.6% before remissions of N$2m.

The value of the Namibian portfolio was £34.8 million (R730.2 million) at the reporting date, compared with £37 million (R743 million) on 29 February 2020. The value has been adversely affected by fair-value losses on investment properties during the year, but also by the currency deterioration of the Namibian dollar to pound sterling (N$20.96 at the reporting date compared to N$20.04 at 29 February 2020).

Namibia reported a net profit after minorities, before group interest, of £25 000 (2020: net loss of £0.4 million). The improvement is mainly due to a lower fair-value loss on investment properties during the year, compared to the 2020 year.

The Nguni Group's total contribution to tangible net asset value per share was 8.2 pence (R1.72) (2020: 8.5 pence (R1.71)).

Tradehold Africa Group (Mozambique and Zambia)

It has remained a frustratingly slow and difficult process to achieve Tradehold's objective of disposing of its remaining properties in these territories. However, it was able to sell its property in Tete in Northern Mozambique while there is now considerable interest from buyers for its remaining two assets in Mozambique. The potential buyers of Tradehold's Zambian properties, who had provided a non-refundable deposit of $1.3 million, have not pursued the sale so these have been put back in the market.

The value of the portfolio decreased to £20.9 million from £23.7 million at the end of February 2020. The value has been adversely affected by the disposal of Tete as well as by currency movements. The company contributed a net profit of £1.6 million to the total group loss, compared to a net profit, before group interest, of £2.2 million for the corresponding period.

Tradehold Africa's total contribution to tangible net asset value per share is 6.3 pence (R1.31) (2020: 7.3 pence (R1.47)).

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.

CHAIRMAN'S STATEMENT & REVIEW OF OPERATIONS (CONTINUED)

Changes to Board

It is with considerable regret that we inform shareholders of David Harrop's resignation from the Board, effective from 20 May 2021. For seven of the ten years as chief financial officer of Moorgarth, he also served as an executive director on the Tradehold Board. We shall miss his insight and valuable contribution to our Board discussions.

Paul Johannes Roelofse (43) was appointed an independent non-executive director last November. A qualified chartered accountant who graduated with a B. Acc (Hons) from the University of Stellenbosch, he led the Corporate Finance division of Rand Merchant Bank (RMB) from 2009 to 2015. He also served on the RMB Investment Banking Board from 2009 until 2019, when he left the banking sector.

Outlook

It is difficult to make definitive projections in the face of the pandemic's persistence. There is also the risk that new Covid-19 variants could potentially reverse decisions to further open up the economies of both the UK and South Africa. In both countries, the authorities are formulating responses to the fast-spreading Indian variant.

Nevertheless, we do see very encouraging signs of economic recovery in Britain, even taking into account the Brexit after-shocks.

In the case of South Africa, the country is plagued not only by the pandemic, but ruling party in-fighting that is distracting it from its goal to revive the economy and with it, ageing infrastructure. Consequently, the nation has to contend with inconsistent power supply, poor service delivery and lack of local government capacity.

Even so, we are cautiously optimistic about the year ahead. It should be noted that the fair-value devaluations of our UK retail property portfolio created a once-off impact on this year's performance. Similarly, in South Africa, several once-off items, identified elsewhere in this report, dented profits.

What does give us reason to be hopeful are that in South Africa, our income stream is protected largely by long-term leases with major companies; while in the UK, we stand to benefit from the growth in omnichannel retail and with it, a renewed interest in physical shopping. We are also well-positioned to take advantage of the escalating demand for flexible, short-term office accommodation.

Acknowledgments

In last year's report, I praised management for its deft handling of tough trading conditions and warned that these might prove to be "child's play compared to what lies ahead". That is exactly how things turned out. Even so, once again management showed it was more than up to the task, responding with resourcefulness, agility and courage. They imparted that same sense of level-headed, imaginative and quick-thinking to staff throughout our businesses. Operations have been streamlined with new, effective decision-making and costs have been contained. These steps have strengthened our cash reserves, allowing us to capitalise on new opportunities that could arise within our much-changed world.

In thanking every single member of staff for their extraordinary efforts, I also want to reassure them of the Board's full support in facing what lies ahead.

Let me also take this opportunity to thank my fellow directors for their commitment and valuable input in all our deliberations.

CH WIESE
CHAIRMAN

20 May 2021

CORPORATE GOVERNANCE

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

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

It conducts treasury activity through its wholly-owned finance company, Tradegro S.à 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 £444 million, and the Moorgarth Group owned and managed commercial properties valued at £217 million (if its joint venture interests are included, and its right-of-use leased assets are excluded).

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

Board and Board committees

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

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

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

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

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

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

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

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

The composition of the Board, outlined above and below, reflects the position at the end of February 2021, and the attendance of Board and committee meetings is for the financial year.

CORPORATE GOVERNANCE (CONTINUED)

Composition of the Board at 28 February 2021 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	79	Non-executive	3	Chairman of Shoprite Holdings Limited and Invicta Holdings Limited, director of Brait PLC and various other companies
Mr HRW Troskie	B Juris, LLB, LLM	27 April 2006	51	Independent non-executive#	3	Brait PLC, Ardagh Group S.A. and various other companies
Mr MJ Roberts	BA, SEDP	28 February 2012	74	Independent non-executive	3	
Mr KR Collins		17 February 2017	49	Non-executive	2	
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	2 May 2018	69	Non-executive	3	
Mr PJ Roelofse	BAcc (Cum Laude), BAcc Hons, CA(SA), CFA	10 November 2020	43	Non-executive	1	Brait PLC
Mr TA Vaughan	BSc (Hons) MRICS	10 November 2010	55	Executive	2	Managing director of Moorgarth Group
Mr FH Esterhuyse	BAcc Hons, MCom(Tax), CA(SA)	27 May 2014	51	Executive	2	
Ms KL Nordier	BAcc, BAcc Hons, CA(SA)	27 May 2014	54	Executive	2	
Mr DA Harrop	BA Hons, ACA	27 May 2014	51	Executive	3	Financial director of Moorgarth Group

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

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

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

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

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

The Board confirms that the company is in compliance with the provisions of the Companies Act of South Africa and has operated in conformity with its Memorandum of Incorporation for the year ended 28 February 2021.

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

Audit committee report

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

1. Functions of the audit committee

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

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

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

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

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

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

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

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

1.8. reviewed the tax structure and tax risk of the group;
1.9. considered the findings contained in the JSE's proactive monitoring reports, the JSE listing requirements amendments and the JSE guidance letters issued in 2020/2021, and their applicability to the group's reporting;
1.10. requested an auditor suitability pack from PricewaterhouseCoopers Inc, confirmed that the pack was presented in the format and contained all the items prescribed in paragraph 22.15 (h) of the JSE Listing Requirements, verified the suitability of PricewaterhouseCoopers Inc. for the role of external auditor, verified the independence of PricewaterhouseCoopers Inc., and nominated PricewaterhouseCoopers Inc. as the auditors for 2021 and noted the appointment of Mr Jacques de Villiers as the designated auditor;
1.11. approved the audit fees and engagement terms of the external auditors;
1.12. determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services by the external auditors.
1.13. identified the following areas as significant matters in relation to the financial statements, and addressed these as described:

Investment property valuations

Reviewed a schedule of the entire investment property portfolio, compared year end book value to the acquisition price, noted the last date of the professional valuation and ensured that most recent valuation date was no earlier than three years before 28 February 2021, noted the identity of the valuer to ensure that it was a property professional, reviewed the list of properties sold and the sale price compared to the book value, reviewed the list of properties revalued, and discussed reasons for revaluations with management and the external auditors.

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

Other asset valuations

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

Debt

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

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

Impairment testing

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

Risks pertaining to the diverse geographical locations

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

Taxation

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

Fraud

Reviewed an incidence of phishing fraud originating at a supplier of Collins, and management's response thereto, and made recommendations in respect of mitigating controls to prevent similar events in future.

CEO and FD responsibility statement

Reviewed the corporate governance framework and compliance reporting by the component management, to ensure that the governance and internal financial controls are adequate, effective and can be relied upon to assure:

i) fair presentation in all material respects of the financial position, financial performance and cash flows of the group in terms of IFRS;
ii) that no facts have been omitted or untrue statements made that would make the annual financial statements of the group false or misleading;
iii) that the necessary internal financial controls have been implemented to provide all material information required to effectively prepare the financial statements of the group; and
iv) that any deficiencies in internal financial controls are expeditiously brought to the attention of senior management.

CORPORATE GOVERNANCE (CONTINUED)

2. **Members of the audit committee and attendance at meetings**
The audit committee aims to fulfil the roles and responsibilities as required by the Companies Act and King 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	51	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	28 February 2012	74	Independent non-Executive	2
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	2 May 2018	69	Independent non-Executive	2

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

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

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

5. **Statement on effectiveness of internal financial controls**
The audit committee continually monitors the effectiveness of the group's internal financial controls, and is satisfied that the internal financial controls in place adequately address the major risk areas faced by the group.

The audit committee confirms that no material breakdown of internal financial controls was identified for the financial year ended 28 February 2021.

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

Remuneration committee report

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

1. Functions of the remuneration committee

Its main functions are:

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

2. Members of the remuneration committee and attendance at meetings

Details of meetings held during the year are listed below.

Remuneration committee	Qualification	Date of appointment	Age	Executive/independent non-executive	Meetings attended (out of 2)
Mr HRW Troskie	B Juris, LLB, LLM	25 October 2012	51	Independent non-executive	2
Mr MJ Roberts	BA, SEDP	27 May 2014	74	Independent non-executive	2
Mr KR Collins		23 May 2017	49	Non-executive	2

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

3. Remuneration policy

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

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

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

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

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

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

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

CORPORATE GOVERNANCE (CONTINUED)

4. Implementation report

The remuneration committee has monitored the implementation of the remuneration policy and is of the view that there were no deviations from the remuneration policy in the 2021 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 2021 compared to 2020, in £'000 :

Year ending 28 February 2021	Jurisdiction	Salary	Other benefits	Variable remuneration	Share scheme	Total
FH Esterhuyse	South Africa	118	22	–	53	193
DA Harrop	United Kingdom	74	7	10	–	91
KL Nordier	Switzerland	219	10	63	45	337
TA Vaughan	United Kingdom	304	9	20	42	375
		715	48	93	140	996

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

The table below presents an analysis of the remuneration of non-executives received in the 2021 financial year (excluding VAT), compared to 2020:

	Currency '000	Year ending 28 February 2021	Year ending 29 February 2020
CH Wiese	Euro	50	50
HRW Troskie	Euro	30	30
MJ Roberts	Euro	10	10
KR Collins	Euro	25	25
LL Porter	Euro	20	20

Details of the remuneration and participation of directors in share incentive schemes appear on pages 93 and 116 of this report (notes 26 and 36).

5. Shareholder engagement and voting

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

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

Social and ethics committee 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. MJ Roberts	BA, SEDP	28 May 2012	74	Independent non-executive	2
Ms KL Nordier	BAcc, BCompt Hons, CA(SA)	22 May 2017	54	Executive	2
Dr LL Porter	BA, BSc, DPhil, FBCS, CITP	7 November 2019	69	Independent non-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 a review of the policies and codes of conduct for social responsibility, health and safety, anti-bribery and corruption, anti-fraud, anti-money laundering, whistleblowing, procurement, gifts, conflicts of interest and compliance with relevant local legislation. It has held discussions with management on the implementation of these policies and the procedures for monitoring compliance with the codes of conduct.

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

Risk management and internal control

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

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

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

The Board applies the following principal elements of internal control:

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

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

Integrity and ethics

Tradehold Limited at all times endeavours to maintain the highest standard of integrity in dealing with its clients, staff, local authorities, shareholders, suppliers and the investor community and, in doing so, to ensure the largest measure of credibility, trust and stability. Structures and procedures are in place for the reporting of unethical behaviour. The chief executive of each component is responsible for ethical behaviour within his organisation, and provides reports to the audit committee and social and ethics committee on the policies and procedures in place to monitor integrity and ethics. The Board is of the opinion that a high level of standards was being maintained by the group and it is not aware of any instances of unethical behaviour during the year ended 28 February 2021.

Gender and race diversity

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

NOTICE TO SHAREHOLDERS

Tradehold Limited and its subsidiaries

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

Notice is hereby given in terms of section 62(1) of the Companies Act, 71 of 2008, as amended (the "Act") that the annual general meeting ("AGM") of the shareholders (each a "Shareholder") of Tradehold will be held at 11:00 on Thursday, 5 August 2021. The purpose of the AGM is to consider and, if approved, pass the ordinary and special resolutions set out in this notice (this "Notice"), with or without modification.

Attendance and voting

Taking cognisance of the continuing COVID-19 measures as apply from time-to-time, Shareholders are advised that the AGM will be held in electronic format only in accordance with the provisions of section 63(2) of Act.

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

Shareholders or their proxies who wish to participate in the AGM via the teleconference facility should make application to Tradehold's company secretary, by completing the application form attached to this notice and by delivering it to Tradehold's company secretary at Suite 1408, Portside Building, 4 Bree Street, Cape Town, 8001 or emailing it to tdhcosec@leacorporateservices.co.za as soon as possible but in any event by no later than 11:00 on Tuesday, 3 August 2021.

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

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

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

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

In terms of section 59(1)(a) and (b) of the Act, the Board of directors ("the Board") has set the record date for the purpose of determining which Shareholders are entitled to:

- receive notice of the AGM, i.e. the Notice Record Date (being the date on which a Shareholder must be registered in the Company's share register in order to receive notice of the AGM as Friday, 21 May 2021; and
- participate in and vote at the AGM, i.e. the Meeting Record Date (being the date on which a Shareholder must be registered in the Company's share register in order to participate in and vote at the AGM) as Friday, 30 July 2021.

Accordingly, the last day to trade in the Company's shares to be recorded in the share register in order to exercise voting rights at the AGM is Tuesday, 27 July 2021.

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

Ordinary resolutions

Ordinary Resolution Number 1

That the consolidated audited annual financial statements of the Company and its subsidiaries for the year ended 28 February 2021, including the Directors' Report, Independent Auditor's Report, Report by the Chairman, Audit Committee Report and Social & Ethics Committee Chairman's Report, (the "Annual Report") which have been distributed and accordingly presented to Shareholders, be accepted and adopted.

Additional information

The complete annual financial statements are set out on pages 34 to 136 of the Annual Report of which this Notice forms part; copies of the Annual Report having been distributed to all shareholders who have requested copies thereof. The complete electronic copy of the Annual Report is available online at: https://www.tradehold.co.za/investor-centre/financial-reports/annual-reports.

Reason and effect

The reason and effect of this resolution is to accept the Company's audited annual financial statements for the financial year ending 28 February 2021.

Voting requirement

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

Ordinary Resolution Number 2

That PricewaterhouseCoopers Inc, as nominated by the Company's audit and risk committee, be re-appointed as independent auditors of the Company to hold office until the conclusion of the next annual general meeting 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 2022.

Note: The audit committee of the Company has considered the independence of its auditors and has concluded that there is no reason to believe that the auditors have not acted with unimpaired independence at all times. As recommended by the King IV Report on Corporate Governance for South Africa, 2016 ("King Code IV"), the audit committee of the Company further confirmed with reference to audit quality indicators, that the audit quality for the year ended 28 February 2021 was satisfactory. The audit committee of the Company has therefore recommended that PricewaterhouseCoopers Inc. be re-appointed as auditors of the Company in compliance with section 90(1) of the Act.

Reason and effect
The reason and effect of this resolution is to re-appoint PricewaterhouseCoopers Inc as auditor of the Company, with Mr J De Villiers as the individual and designated auditor.

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

Ordinary Resolution Number 3
That Mr HRW Troskie who retires as director in terms of the Memorandum of Incorporation ("MOI") of the Company and, being eligible, offers himself for re-election to the Board, be re-appointed. Mr Troskie is 50 years of age and he holds a B Juris; LL B ; LL M. Mr Troskie is a non-executive director of Brait SE, Ardagh Group S.A. Puma Brandenburg Ltd and Pestana International Holdings S.A.

Reason and effect
The reason and effect of this resolution is to re-appoint Mr HRW Troskie as a director.

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

Ordinary Resolution Number 4
That 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 74 years of age and he holds a BA, SEDP.

Reason and effect
The reason and effect of this resolution is to re-appoint Mr MJ Roberts as a director.

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

Ordinary Resolution Number 5
That Mr PJ Roelofse, who was appointed as a director with effect from 10 November 2020 and whose appointment terminates at the AGM in terms of the Company's MOI and the Act, and being eligible offers himself for re-election to the Board, be re-appointed as a director of the Company.

Mr Roelofse is 43 years of age. He holds a B.Acc (Cum Laude) degree and a B.Acc (Hons) degree from the University of Stellenbosch. He is a qualified Chartered Accountant and CFA charterholder. He joined Rand Merchant Bank ("RMB") in 2002 in the Corporate Finance Division and headed RMB's global Corporate Finance business from 2009 to 2015, whereafter he was appointed as an Investment Banking Director. Paul led a number of pioneering transactions during his banking career and served on the RMB Investment Banking Board from 2009 until he resigned in 2019. Paul is a co-founder of Oryx Partners, which manages Dr Christo Wiese's family office and a strategic business partner of the Wiese family.

Reason and effect
The reason and effect of this resolution is to re-appoint Mr P Roelofse as a director, since the Act and the MOI of the Company determines that his appointment terminates at the AGM.

Voting requirement
Ordinary Resolution Number 5 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders represented by proxy, to be approved.

Ordinary Resolution Number 6
That, subject to the provisions of the Act and in accordance with the Listings Requirements ("Listings Requirements") of the JSE Limited ("JSE"), the Board is hereby authorised to issue Ordinary Shares, or options or securities convertible into Ordinary Shares, for cash, from time to, subject to the following conditions:

- that this authority is valid until the Company's next annual general meeting, provided it shall not extend beyond 15 months from the date that this authority is given;
- that the Ordinary Shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- that securities which are the subject of the issue for cash may not exceed 30% of the Company's listed equity securities as at the date of this notice of AGM (this number of shares being 77 101 719, excluding treasury shares);
- any Ordinary Shares issued under this authority during the period of its validity must be deducted from the above number of Ordinary Shares and the authority shall be adjusted accordingly to represent the same allocation ratio on the event of a subdivision or consolidation of Ordinary Shares during the same period;
- that in determining the price at which an issue of Ordinary Shares may be made in terms of this authority, the maximum discount permitted will be 10% of the weighted average traded price as determined over the 30 business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the securities;
- that any such issue will only be made to public shareholders, as defined by the Listings Requirements, and not to related parties; and
- upon any issue of Ordinary Shares which, together with prior issues of Ordinary Shares during the same financial year, will constitute 5% or more of the total number of Ordinary Shares in issue prior to that issue, the Company shall publish an announcement in terms of section 11.22 of the Listings Requirements, giving full details hereof, including (i) the number of Ordinary Shares issued, (ii) the average discount to weighted average traded price of the Ordinary Shares over the 30 business days prior to the date that the issue is agreed in writing between the Company and the party/ies subscribing for the Ordinary Shares; and (iii) in respect of the issue of options and convertible securities issued for cash, the effects of the issue on net asset value per share, net tangible asset value per share, earnings per share, headline earnings per share and, if applicable, diluted earnings and headline earnings per share; or (iv) in respect of an issue of Ordinary Shares for cash, an explanation including supporting information (if any), of the intended use of funds.

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

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

Voting requirement
In terms of the Listing Requirements, Ordinary Resolution Number 6 will require the support of at least 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Ordinary Resolution Number 7
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 of the Company and the Listings Requirements:
- 10 000 000 redeemable class C preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified C Preference Shares");
- 10 000 000 redeemable class D preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified D Preference Shares");
- 10 000 000 redeemable class E preference shares of no par value having the rights, privileges, restrictions and conditions as determined by the Directors upon issue thereof ("Unspecified E Preference Shares"), (the Unspecified C Preference Shares, Unspecified D Preference Shares and the Unspecified E Preference Shares, collectively, the "Unspecified Preference Shares") subject to the following limitations:
- the authority will be valid from the date of the AGM until the next annual general meeting of the Company;
- the maximum amount to be raised by the issue of Unspecified Preference Shares is R3 000 000 000;
- the Unspecified Preference Shares may only be issued if the Board is of the opinion, having taken into account prevailing conditions in the South African market for redeemable preference shares, that the commercial and technical terms and features of the relevant Unspecified Preference Shares are in all material respects arms' length and in line with current market norms (which for clarity will include, without limitation, that the Unspecified Preference Shares will bear a market-related coupon, that they will have a fixed date of maturity, that they will rank in priority to the Ordinary Shares and the non-convertible, non-participating, non-transferable, redeemable preference shares in the share capital of the Company having the preferences, rights, limitations and other terms contemplated in clause 9 of this MOI in respect of distributions and on a winding up, and that they will have voting rights only in limited circumstances);
- if any Unspecified Preference Shares are issued to a related party (as defined in paragraph 10.1 of the Listings Requirements), the issue to such related party shall be subject to a fairness opinion from an independent expert acceptable to the JSE stating that the issue is fair insofar as the Shareholders are concerned; and
- the Unspecified Preference Shares will be non-participating redeemable preference shares, i.e. the rate of dividends and returns payable in respect of the Unspecified Preference Shares will not be a function of the profitability of the Company, there being no further limitations on the Board's authority (including on the price at which the Unspecified Preference Shares may be issued).

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

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

Ordinary Resolution Number 8
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 annual general meeting of the Company:
- HRW Troskie (subject to re-appointment pursuant to Ordinary Resolution Number 3)
- MJ Roberts
- LL 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 annual general meeting.

Additional information
Mr Troskie is 52 years of age and he holds a B Juris; LL B ; LL M. Mr Troskie is a non-executive director of Brait PLC, Ardagh Group S.A. Puma Brandenburg Ltd and Pestana International Holdings S.A.

Mr Roberts is 75 and he holds a BA, SEDP.

Dr Porter is 70 years of age and he holds a BA, BSc, DPhil, FBCS, CITP. Dr Porter is a non-executive director of Brait PLC.

Voting requirement
Ordinary Resolution Number 8 will require the support of more than 50% (fifty percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

Ordinary Resolution Number 9
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 13 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. Failure to pass this resolution will therefore not have any legal consequences in relation to the existing remuneration.

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

Ordinary Resolution Number 10

Resolved that in accordance with King Code IV and the Listing Requirements as a non-binding advisory vote, the Shareholders endorse the implementation report of the remuneration policy of the Company as set out on page 13 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. Failure to pass this resolution will therefore not have any legal consequences in relation to the existing remuneration.

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

Special Resolution Number 1

Resolved that the directors' remuneration to be paid by the Company for services rendered during the reporting period from 1 March 2021 to 28 February 2022 be confirmed to be as follows:

Non-executive directors' fees

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

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

Reason and effect

In terms of section 66(8) and (9) of the Act, non-executive directors' fees for their services to the Company, must be approved by way of a special resolution passed by Shareholders within the previous two years. Accordingly, the reason for and effect of Special Resolution Number 1 is to approve the payment of and the basis for calculating the proposed remuneration payable by the Company to its non-executive directors for the period ending 28 February 2022.

Voting requirement

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

Special Resolution Number 2

Resolved that the Company be and is hereby authorised, in terms of section 45(3)(a)(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 2022 annual general meeting.

Any 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 2 of the Act and the terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

Reason and effect

The reason and effect of the Special Resolution Number 2 is to grant the Board the general authority to provide direct or indirect financial assistance (including loans and guarantees) to, amongst others, 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 at least 75% (seventy five percent) of the total number of votes exercisable by Shareholders, represented by proxy, to be approved.

NOTICE TO SHAREHOLDERS (CONTINUED)

Tradehold Limited and its subsidiaries

Special Resolution Number 3

Resolved that Board be and is hereby authorised, by way of a general approval, in terms of section 44(3)(a)(ii) of the Act and the MOI of the Company, to authorise the Company to 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 or inter-related to the companies. 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 2022 annual general meeting.

Any 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 2 of the Act; and that terms under which the financial assistance is proposed to be given are fair and reasonable to the Company.

The effect of Special Resolution Number 3 and the reason therefore is to grant the Board the general authority to provide direct or indirect financial assistance by way of a loan, guarantee, the provision of security or otherwise to any person for the purpose of, or in connection with the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company or for the purchase of any securities of the Company or a related or inter-related company.

Voting requirement

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

Special Resolution Number 4

Resolved that the mandate given to the Company (or one of its subsidiaries) providing authorisation, by way of a general authority contemplated in sections 46 and 48 of the Act, read with sections 114 and 115 and paragraph 5.67(B)(b) of 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:

- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counter-party;
- authorisation be given by the MOI of the Company;
- this general authority will be valid until the Company's next annual general meeting, provided that it shall not extend beyond fifteen months from date of passing of this Special Resolution Number 4;
- repurchases may not be made at a price greater than 10% above the weighted average of the market value of the securities for the five business days immediately preceding the date on which the transaction is effected;
- at any point in time, the Company may only appoint one agent to effect any repurchase;
- a 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.
- a paid press announcement will be published as soon as the Company has cumulatively repurchased 3% of the initial number (i.e. the number of that class of share in issue at the time that the general authority is granted) of the relevant class of securities and for each 3% in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases in compliance with sections 5.79 and 11.27 of the Listings Requirements;
- repurchases by the Company in aggregate in any one financial year may not exceed 20% of the Company's issued share capital as at the date of passing of this Special Resolution Number 4 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 subsidiaries) during a prohibited period; unless the Company or the subsidiary has a share repurchase programme in place, the dates and quantities of shares to be traded during the relevant period are fixed and full details of the programme have been submitted to the JSE in writing prior to the commencement of the prohibited period. The Company must instruct an independent third party, which makes its investment decisions in relation to the issuer's securities independently of, and uninfluenced by, the issuer, prior to the commencement of the prohibited period to execute the repurchase programme submitted to the JSE.

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

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

The Board is of the opinion that, after considering the provisions of sections 4 and 48 of the Act and the effect of the maximum repurchase permitted and for a period of 12 months after the date of this Notice:

- 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 audited consolidated annual financial statements of the Company for the financial year ended 28 February 2021;
- 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

Reason and effect

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

Voting requirement

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

Additional Information in terms of paragraph 11.26 of the Listings Requirements

The following disclosures are required with reference to the general authority to repurchase the Company's shares set out in Special Resolution Number 4, some of which are set out elsewhere in the Annual Report:

- Major Shareholders – refer to page 137 of the Annual Report;
- Share capital – refer to page 79 of the Annual Report.

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, represented by proxy, to be approved.

Social and Ethics Committee

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

Directors' Responsibility Statement

The directors, whose names are given on page 138 of the Annual Report, collectively and individually, accept full responsibility for the accuracy of the information pertaining to this Notice 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 this Notice contains all information required by law and the JSE Listings Requirements.

Material change

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

Voting Requirements

In compliance with section 62(3)(c) of the Act and/or the Listings Requirements it is confirmed that a voting majority of 50% is required for the approval of ordinary resolutions number 1 to 5, as well as 7 to 11. For ordinary resolution number 6 a 75% voting majority is required by the Listings Requirements. The special resolutions require a 75% voting majority in terms of the Company's MOI and the Listings Requirements.

Proxies

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

By order of the Board

PIETER JOHAN JANSE VAN RENSBURG
SECRETARY

24 May 2021

Parow Industria
7493

NOTICE TO SHAREHOLDERS (CONTINUED)

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

APPLICATION FOR ELECTRONIC PARTICIPATION AT THE ANNUAL GENERAL MEETING

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

Instructions

Shareholders, or their proxies, have the right, as authorised in the MOI of the Company and provided for in the Act, to participate by way of electronic communication in the AGM. Shareholders or their duly appointed proxies who wish to participate by way of electronic communication must apply to the company secretary, by completing this application form and by delivering it to the company secretary at Suite 1603, Portside Building, 4 Bree Street, Cape Town, 8001, or emailing it to tdhcosec@leacorporateservices.co.za as soon as possible, but in any event by no later than 11:00 on Tuesday, 3 August 2021.

Please note

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

By no later than 17:00 on Wednesday, 4 August 2021, Shareholders, or their proxies, will be advised by email, telephone call or text message of the relevant telephone number and access code to allow them to dial in and participate electronically in the AGM.

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

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

Information required for participation by electronic communication at the AGM

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

Identity number or registration number of individual/entity

Email address

Cell phone number Telephone number, including dialling codes

Documents required to be attached to this application form

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

Signed at on 2021

Signature

Assisted by (where applicable)

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

STOCK EXCHANGE TRANSACTIONS

	2021	2020	2019	2018
Number of shares traded ('000)	4 565	4 714	10 263	17 424
Value of shares traded (R'000)	39 110	51 870	149 707	320 410
Volume of shares traded as % of total issued shares	1.75	1.80	4.05	7.05
Market capitalisation (R'000)	2 116 907	2 482 792	3 165 262	3 954 790
Share prices for the year (cents)				
Lowest	6.46	8.46	9.01	13.90
Average	8.57	11.36	12.87	18.45
Highest	10.75	12.80	16.74	21.35
Closing	8.10	9.50	12.50	16.00

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 2021, Tradehold Ltd has filed all the required returns and notices in terms of the Act, and all such returns and notices are to the best of my knowledge and belief true, correct and up to date.

PJ JANSE VAN RENSBURG
COMPANY SECRETARY

24 May 2021

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
email: tdhcosec@leacorporateservices.co.za

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.

TRADEHOLD LTD

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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 20 May 2021 by the Board of directors.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

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

CH WIESE
CHAIRMAN

KL NORDIER
DIRECTOR

20 May 2021

CEO AND FINANCIAL DIRECTOR RESPONSIBILITY STATEMENT

The directors, whose names are stated below, hereby confirm that:

a) the annual financial statements set out on pages 34 to 136, fairly present in all material respects the financial position, financial performance and cash flows of Tradehold Limited in terms of IFRS.;
b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
c) internal financial controls have been put in place to ensure that material information relating to Tradehold Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Tradehold Limited; and
d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

FH ESTERHUYSE
CEO

KL NORDIER
FINANCIAL DIRECTOR

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

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

Investment properties
Changes in properties during the year and details of property valuations at 28 February 2021 are shown in note 2 to the annual financial statements.

Borrowings
Interest-bearing borrowings are shown in notes 18, 19, 20 and 23 to the annual financial statements, and includes bank borrowings of £427.8 million (2020: £409.3m).

Group results
Earnings
After taking into account the interest of non-controlling shareholders, the group reports a basic loss per share of 15.2 pence (2020: earnings per share 2.3 pence).

The annual financial statements on pages 34 to 136 set out fully the financial position, results of operations and cash flows of the group for the financial year ended 28 February 2021.

Dividends
A final cash dividend of 30 cents per share was declared on 21 May 2020 (May 2019: 55 cents per share) and paid on 15 June 2020. An interim cash dividend of 30 cents per share was declared on 12 November 2020 (2019: nil) and paid on 7 December 2020.

Material risks
The directors consider the material risks specific to Tradehold Limited to be the significant matters set out in the Audit Committee Report.

Events after the reporting period
There are no significant subsequent events after year end which need to be adjusted for or additional disclosure required, other than as disclosed in note 38 to the annual financial statements.

Going concern
The directors consider that the group has adequate resources to continue operating for the foreseeable future and that it is appropriate to adopt the going concern basis in preparing the group annual financial statements, despite the challenges wrought on the business by the Covid-19 pandemic as detailed in note 37 to the annual financial statements. The directors have satisfied themselves that the group remains in a sound financial position and that it has access to sufficient liquidity and borrowing facilities to meet its foreseeable cash requirements.

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

On 10 November 2020, Mr PJ Roelofse was appointed as a non-executive director.

On 20 May 2021, Mr DA Harrop resigned as an executive director.

In terms of the Memorandum of Incorporation of the company Mr HRW Troskie 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 2021 the directors of Tradehold Limited held a direct interest of 0.27% (2020: 0.26 %) and an indirect, non-beneficial interest of 65.88% (2020: 64.27%) 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 2021 the company had no holding company. An analysis of the main shareholders of the company appears on page 137 of this report.

Compliance
The directors confirm that Tradehold Limited is in compliance with the provisions of the Companies Act of South Africa and has operated in conformity with its Memorandum of Incorporation for the year ended 28 February 2021.

Secretary
The name and address of the secretary appears on page 138 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 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act of South Africa.

What we have audited

Tradehold Limited's consolidated and separate financial statements set out on pages 34 to 136 comprise:

- the consolidated and separate statements of financial position as at 28 February 2021;
- 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

Our audit approach

Overview

Overall group materiality

- £8 075 500, which represents 1% of consolidated total assets.

Group audit scope

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

Key audit matters

- Valuation of investment properties;
- Impact of uncertainty related to COVID-19 on forecasts; and
- Recoverability of loans to subsidiaries.

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.

pwc

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	£8 075 500.
How we determined it	1% of consolidated total assets.
Rationale for the materiality benchmark applied	We chose consolidated total assets as the benchmark considering that, in our view, this is the key benchmark against which the performance of the Group is most commonly measured by the users of the consolidated financial statements. The continued expansion of the Group, which we currently expect to continue, further supports the use of consolidated total assets as our benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for companies in this sector.

How we tailored our group audit scope

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the shareholders of Tradehold Limited

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.

Key audit matter	How our audit addressed the key audit matter
Valuation of investment properties This key audit matter relates to the consolidated financial statements. The valuation of the Group's investment properties is a key contributor to the asset value of the Group. The Group carries investment property at fair value in accordance with International Accounting Standard (IAS) 40 – Investment Property. As at 28 February 2021, the Group's investment property portfolio, including the straight-line lease income adjustment and right-of-use asset, was measured at £703.5 million, after recognising a fair value loss in the consolidated statement of comprehensive income of £38.7 million. The fair values are based on the directors' valuation for a portion, and for the remainder the directors utilised valuation experts (the "valuers") to assist them with the valuation of the investment properties. In determining a property's valuation, the directors and the valuers make use of the income method of valuation and the sales or direct comparison methods. These methods take into account property specific information such as the capitalisation yields to current and future rental streams net of income voids arising from vacancy rates or rent free periods and associated running costs, market rentals, as well as the impacts resulting from COVID-19. Other factors taken into account in the valuations include the tenure of the property, tenancy details and ground and structural conditions. The valuers and directors apply assumptions for yields and estimated future market rents, which are influenced by prevailing market yields, comparable property and leasing transactions in the market, to arrive at the final valuation. The valuation of investment properties was considered to be a matter of most significance to the current year audit due to significant estimation uncertainty in relation to key assumptions (the capitalisation yields, market rentals and vacancy rates), coupled with the fact that only a small percentage difference in yields for individual property valuations, when aggregated, could result in a material impact on the overall valuation. Refer to note 2 and note 3 to the consolidated financial statements for details on the valuation of investment properties, the property analysis schedule and note 31 within the accounting policies for critical accounting estimates.	We inspected the underlying valuation documentation for a sample of the properties valued externally, or valued by the directors in the current year, in order to evaluate whether the valuation approach followed by the directors or external valuers for each property was consistent with the requirements of IFRS. We found the valuation approach to be consistent with the requirements of IFRS. We evaluated the valuers' qualifications, expertise and experience in property valuations by inspecting their curricula vitae, including a consideration of whether they are members of a registered professional body. We did not note any aspect in this regard requiring further consideration. Our audit procedures covered different types of properties including retail, office, industrial, leisure and residential. We tested the accuracy, reliability and completeness of data inputs into the directors' valuations, as well as in the valuations prepared by the valuers. We focused on the data inputs underpinning the investment property valuations for a selection of investment properties, including projected rental income and associated running costs, vacancy rates, income capitalisation rates and discount rates by agreeing these to appropriate underlying documentation. Making use of our internal valuations expertise, we also assessed the impact of COVID-19 on these data inputs, considering both the current economic impact as well as the potential future expected impact. We held discussions with the valuers on the valuations and key assumptions used. We utilised our internal valuation expertise to assess the reasonability of the assumptions in the valuations performed by the directors' valuers and those performed by the directors. Our work focussed on developing independent expectations which we compared to the directors' and valuers' valuations for a sample of properties. In doing this, we used comparable market data and focused in particular on properties where the growth in property valuations were higher or lower than our expectations, based on available market information. We compared the investment yields used by the directors and valuers to an estimated range of expected yields, determined with reference to published benchmarks. The inputs were found to be within an acceptable range.

Key audit matter	How our audit addressed the key audit matter
Impact of uncertainty related to COVID-19 on forecasts This key audit matter relates to the consolidated financial statements. The COVID-19 pandemic has had a significant impact on the Group's operations during the current year. The continued uncertainty regarding the future impact of COVID-19 on the Group necessitated additional focus by management in the preparation of forecasts utilised for purposes of liquidity planning. Factors which contributed to such additional focus included: – the Group has financial covenants over its major borrowings which are based on property valuations and the ability to service such borrowings. Financial covenants such as the loan-to-value ratio has increased at 28 February 2021 due to the significant decrease in the fair value of investment properties, mainly attributable to the adverse impact of COVID-19 on the global economy and property sector in particular; – the cumulative redeemable "B" preference shares are due for redemption on 20 December 2021, amounting to £49.6 million at 28 February 2021. The directors are currently negotiating with the preference shareholder to extend this financing; and – considerations regarding the continued negative impact of the COVID-19 pandemic on the Group during the 2022 financial year, which may include further renegotiation of loan covenants, limited access to additional liquidity and the need to grant further rental relief to tenants. We considered the impact of the uncertainty related to COVID-19 on forecasts to be a matter of most significance to the current year audit due to the significant level of judgement and estimation applied by management in assessing the potential future impact of the pandemic on the Group. Refer to note 37 to the consolidated financial statements for details regarding the Group's ability to continue as a going concern, events after reporting period disclosure in note 38 and note 19 for details regarding the Group's borrowings.	We obtained external loan confirmations from the lending institutions for the borrowings and agreed the amounts per the confirmations to the recognised amounts, noting no material differences. We reperformed the financial covenant calculations on the Group's major borrowings with reference to the loan agreements with the respective lending institutions, and noted no differences, including in respect of managements' assessment of a breach of the loan-to-value financial covenant on the Group's cumulative redeemable "B" preference shares. We inspected communication from the lending institutions, and the preference shareholder indicating their continued support, and noted confirmation of a waiver of covenants received post financial year end. We inspected communication from the preference shareholder confirming their deferral of the redemption of the cumulative redeemable "B" preference shares to 30 June 2022. We obtained an understanding of the assumptions applied by management in the Group's forecasts through discussions with management and inspection of relevant supporting documentation. We obtained representations from management and the directors regarding the relevant factors which may impact the Group's forecasts, their plans for future action and the feasibility of such plans, including communication with lending institutions. We assessed the assumptions applied in the Group's forecasts against current trading trends, relevant market information, the possibility of further rental remissions and other underlying documentation. This included assessing the cash flow forecasts against the terms of facilities in place. We further assessed managements' forecasts of possible future covenant breaches, including their plans to obtain covenant condonements, and their ability to cure the breaches should they materialise. Based on our work performed, we accepted management's assumptions. We performed sensitivity analyses on the Group's forecasts by assessing the impact of changes in key assumptions on the Group's forecasted liquidity and solvency positions. In this regard, we did not note any aspects requiring further consideration.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

To the shareholders of Tradehold Limited

Key audit matter	How our audit addressed the key audit matter
Recoverability of loans to subsidiaries	
This key audit matter relates to the separate financial statements. The Company has provided loans to its subsidiaries amounting to R3.756 billion. These loans are carried at amortised cost and assessed for impairment in accordance with IFRS 9 – Financial instruments. Management has determined that there is no impairment loss on these loans based on the likelihood of a number of scenarios and the cash flows related to each of those scenarios. In addition, these loans are secured by investment property held in the UK. We considered the recoverability of loans to subsidiaries to be a matter of most significance to the current year audit due to the significance of the loans to subsidiaries balances in the Company's statement of financial position and the impact any impairments thereon could have on the financial statements. Refer to note 5 to the separate financial statements for details regarding the Company's investments in subsidiaries.	We obtained managements' impairment assessment, prepared using the expected credit loss ("ECL") methodology as required by IFRS 9. The impairment assessment contained a number of scenarios and the cash flow forecast models for each. We audited managements' assumptions included in each scenario, which comprised the counterparts' ability to generate cash flow to service the loans from the properties which are held as security. We compared management's cash flow forecasts and projected rental income to their actual results from these properties to validate management's assumptions, and concluded that these were reasonable. In addition, we compared the property fair values less cost to sell, that could be liquidated should the need arise, and noted that they exceed the outstanding loan balances. We noted no aspects in this regard requiring further consideration.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Tradehold Ltd Consolidated annual financial statements for the year ended 28 February 2021", which includes the Directors' Report, the Audit Committee's Report and the Secretarial certification as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report, and the other sections of the document titled "Tradehold Ltd Integrated Report 2021", which is expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the consolidated and separate financial statements

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

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

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, actions taken to eliminate threats or safeguards applied.

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 23 years.

PricewaterhouseCoopers Inc.

PRICEWATERHOUSECOOPERS INC.
DIRECTOR: JR DE VILLIERS

Registered Auditor

Cape Town, South Africa
24 May 2021

STATEMENTS OF FINANCIAL POSITION

Tradehold Limited and its subsidiaries at 28 February 2021

COMPANY 2020 R'000	COMPANY 2021 R'000		Notes	GROUP 2021 £'000	GROUP 2020 £'000
		Assets			
4 005 603	2 743 270	**Non-current assets**		761 015	826 306
		Property, plant and equipment	1	9 181	11 312
		Investment property	2	631 551	649 064
		Investment property – straight lining lease income accrual	2	31 315	30 442
		Investment property – right-of-use assets	3	40 640	49 021
		Intangible assets	4	8 031	8 031
		Deferred taxation	9	6 567	9 135
7 838	7 838	Investment in subsidiaries	5	–	–
3 968 817	2 715 876	Loans to subsidiaries	5		
		Investments accounted for using the equity method			
		Investments in joint venture	6	9 092	12 312
		Investments in associates	7	–	504
		Derivative financial instruments	20	–	12 928
		Financial assets at amortised cost:			
		Loans to joint venture	6.3	9 893	16 376
		Loans to associates			
28 948	19 556	Loans receivable	8	7 553	18 285
		Other non-current assets	13	7 192	8 896
25 440	1 046 116	**Current assets**		45 581	53 040
		Financial assets at fair value through profit and loss	10	4 081	7 697
		Financial assets at amortised cost:			
22 696	1 040 301	Loans to subsidiaries	5		
		Loans receivable	8	613	1 706
		Loans to associates	7.3	5 468	5 578
2 200	2 200	Trade and other receivables	12	6 293	7 114
		Other current assets	13	3 718	7 437
		Taxation		–	13
544	3 615	Cash and cash equivalents	14	25 408	23 495
		Assets classified as held for sale	11	954	4 507
4 031 043	**3 789 386**	**Total assets**		**807 550**	**883 853**
		Equity and liabilities			
2 916 534	2 748 009	**Ordinary shareholders' equity**		225 249	282 667
3 057 711	2 900 902	Share capital and share premium	15	209 840	217 803
(141 177)	(152 893)	Reserves	16	15 409	64 864
		Non-controlling interest	17	44 511	51 403
2 916 534	2 748 009	**Total equity**		269 760	334 070
1 089 242	1 082	**Non-current liabilities**		423 878	494 937
1 089 242	1 082	Preference share liability	18	52	54 357
		Long-term borrowings	19	348 139	346 542
		Lease liabilities	3	35 111	43 149
		Derivative financial instruments	20	347	6 274
		Deferred taxation	9	40 229	44 615
25 267	1 040 295	**Current liabilities**		113 912	54 846
22 696	1 039 017	Preference share liability	18	49 574	1 133
–	–	Short-term borrowings	23	23 817	22 836
		Deferred revenue	21	6 500	6 683
2 571	1 278	Trade and other payables	22	19 776	17 241
		Lease liabilities	3	5 464	5 804
		Derivative financial instruments	20	7 731	
		Taxation		1 050	1 149
		Bank overdrafts	14	–	–
1 114 509	**1 041 377**	**Total liabilities**		**537 790**	**549 783**
4 031 043	**3 789 386**	**Total equity and liabilities**		**807 550**	**883 853**

STATEMENTS OF COMPREHENSIVE INCOME

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

COMPANY				GROUP	
2020 R'000	2021 R'000		Notes	2021 £'000	2020 £'000
		Revenue	24	74 274	94 608
139		Other operating income	25	1 193	8 005
		(Loss)/Profit on disposal of investment property	26	(817)	(1 419)
		Net loss from fair value adjustment on investment property	2 & 3.1.1	(38 662)	(18 522)
		Gain on disposal and scrapping of PPE (excluding buildings)	26	4	
		Impairment losses on financial assets	26	(9 587)	(2 115)
(44)	(50)	Employee benefit expenses	26	(5 903)	(6 980)
(180)	(96)	Lease expenses	26	(24)	(27)
		Depreciation, impairment and amortisation	1 & 4	(2 350)	(2 881)
(11 214)	(9 390)	Other operating costs	26	(14 130)	(19 025)
(11 299)	(9 536)	**Trading profit/(Loss)**		3 998	51 644
		Loss on disposal of financial assets		(62)	
		(Loss)/gain on disposal of subsidiary			(100)
		Impairment of intangible assets	4	–	(59)
		Net fair value (losses)/gains on financial assets at fair value through profit or loss		(2 171)	6 645
(11 299)	(9 536)	**Operating profit/(loss)**	26	1 765	58 130
90 596	67 095	Finance income	27	5 310	7 663
(90 654)	(69 275)	Finance cost	27	(44 485)	(47 247)
		Loss from joint venture	6	(3 219)	(1 141)
		Earnings from associated companies	7	(474)	
(11 357)	(11 716)	**Profit/(Loss) before taxation**		(41 103)	17 405
		Taxation	28	(833)	(7 242)
(11 357)	(11 716)	**Profit/(Loss) for the year before non-controlling interest**		(41 936)	10 163
		Other comprehensive income			
		Items that may be subsequently reclassified to profit or loss			
		(Losses)/gains on cash flow hedges		80	(371)
		Deferred tax on cash flow hedges		(5)	60
		Exchange differences on translation of foreign operations		(11 199)	(15 777)
		Items that may not be subsequently reclassified to profit or loss			
		Revaluation of land and buildings			634
(11 357)	(11 716)	**Total comprehensive income for the year**		(53 060)	(5 291)
		Profit/(Loss) attributable to:			
		Owners of the parent		(39 709)	5 985
		Non-controlling interest		(2 227)	4 178
				(41 936)	10 163
		Total comprehensive income attributable to:			
		Owners of the parent		(48 882)	(6 093)
		Non-controlling interest		(4 178)	802
		Total comprehensive income for the year		(53 060)	(5 291)
		Earnings per share for profit attributable to the ordinary equity holders of the company	29		
		Basic (loss)/earnings per share		(15.4)	2.3
		Diluted (loss)/earnings per share		(15.2)	2.3

STATEMENTS OF CASH FLOWS

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

COMPANY				GROUP	
2020 R'000	2021 R'000		Notes	2021 £'000	2020 £'000
		Cash flows from operating activities			
(11 298)	(9 538)	Operating profit/(loss)		1 765	58 130
		Non-cash items	30.1	50 584	6 080
(2 630)	(1 294)	Changes in working capital	30.2	10 258	(2 677)
(13 928)	(10 832)	Cash (used in)/from operations		62 607	61 533
89 147	77 936	Interest received		1 130	2 346
(89 436)	(72 720)	Interest paid	30.5	(32 081)	(43 167)
(139 230)	(156 808)	Dividends paid to ordinary shareholders		(7 399)	(7 366)
		Dividends paid to non-controlling interests		(2 714)	(470)
		Taxation refunded/(paid)	30.3	(1 318)	231
(153 447)	(162 424)	**Net cash flows from operating activities**		20 225	13 107
		Cash flows from/ utilised in investing activities			
		Acquisition of investment properties	2.2	(30 102)	(12 101)
		Acquisition of property, plant and equipment	1	(413)	(1 622)
		Acquisition of financial assets			24
		Proceeds on disposal of investment properties	2.2	10 040	10 877
		Proceeds on disposal of property, plant and equipment		45	22
		Proceeds on disposal of financial assets		2 819	853
		Loans advanced to joint venture	6.4	(875)	(700)
		Loans repaid by joint venture		–	
72 638	229 632	Loans repaid by group companies		–	–
		Loans advanced to associate undertaking	7.4	(205)	(393)
		Loans repaid by associate undertaking		44	
		Loans and advances – advanced	8.2	(833)	(18)
	3 614	Loans and advances – repaid	8.2	11 734	9 064
72 638	233 245	**Net cash flows from/ utilised in investing activities**		(7 746)	6 006
		Cash flows from financing activities			
		Proceeds from borrowings	30.5	153 855	61 083
	–	Repayment of borrowings	30.5	(154 844)	(92 371)
		Settlement of derivative	30.5	(415)	
34	–	Proceeds from preference share issue		–	2
(20 428)	(67 750)	Redemption of preference shares	30.5	(3 178)	(1 096)
100 801		Proceeds from ordinary share issue	30.4	–	5 526
(862)		Repurchase of ordinary shares		–	(45)
		Acquisition of treasury shares	16.1	(563)	(703)
		Proceeds on disposal of interest in subsidiary that did not result in loss of control		–	25 567
		Principle portion of lease liabilities	30.5	(5 464)	(5 804)
79 545	(67 750)	**Net cash from financing activities**		(10 609)	(7 841)
(1 264)	3 071	**Net increase in cash and cash equivalents**		1 870	11 272
		Effect of changes in exchange rate		43	(35)
1 808	544	Cash and cash equivalents at beginning of the year		23 495	12 258
544	3 615	Cash and cash equivalents at end of the year		25 408	23 495
		Cash and cash equivalents consists of:			
544	3 615	Cash and cash equivalents	14	25 408	23 495
		Bank overdrafts			
544	3 615			25 408	23 495

The notes on pages 50 to 124 are an integral part of these consolidated annual financial statements

STATEMENTS OF CHANGES IN EQUITY

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

	Share capital and premium	Foreign currency translation reserve	Share based payment reserve	Cash flow hedging reserve	Revaluation surplus	Accumulated loss/Retained earnings	Attributable to equity holders of the parent	Non-controlling interest	Total
GROUP (£'000)									
Balance at 28 February 2019	220 392	(5 646)	1	77		72 337	287 161	9 871	297 032
Profit for the year						5 986	5 986	4 178	10 164
Repurchase of ordinary shares by the company – odd lot and specific offer	(45)						(45)	–	(45)
Dividends distributed to shareholders	(7 366)						(7 366)		(7 366)
Dividends reinvested by shareholders	5 526						5 526		5 526
Acquisition of treasury shares	(704)						(704)		(704)
Disposal of share in subsidiary without loss of control						4 336	4 336	41 144	45 480
Transactions with non-controlling interests						(185)	(185)	56	(129)
Capital reserve (ESOP)			36				36		36
Distribution to non-controlling interests								(470)	(470)
Other comprehensive income for the year		(12 401)		(311)	634		(12 078)	(3 376)	(15 454)
Balance at 29 February 2020	217 803	(18 047)	37	(234)	634	82 474	282 667	51 403	334 070
Profit for the year						(39 709)	(39 709)	(2 227)	(41 936)
Dividends distributed to shareholders	(7 399)						(7 399)		(7 399)
Acquisition of treasury shares	(564)						(564)		(564)
Acquisition of subsidiary – Austria – refer note 2.10						(654)	(654)		(654)
Capital reserve (ESOP)			82				82		82
Distribution to non-controlling interests								(2 714)	(2 714)
Other comprehensive income for the year		(9 249)		75			(9 174)	(1 951)	(11 125)
Balance at 28 February 2021	209 840	(27 296)	119	(159)	634	42 111	225 249	44 511	269 760
COMPANY (R'000)									
Balance at 28 February 2019	3 097 001					(129 820)	2 967 181		2 967 181
Profit for the year						(11 357)	(11 357)		(11 357)
Shares repurchased – oddlot and specific offer	(862)						(862)		(862)
Dividends distributed to shareholders	(139 230)						(139 230)		(139 230)
Dividends reinvested by shareholders	100 801						100 801		100 801
Other comprehensive income for the year									
Balance at 29 February 2020	3 057 711					(141 177)	2 916 533		2 916 533
Profit for the year						(11 716)	(11 716)		(11 716)
Dividends distributed to shareholders	(156 808)						(156 808)		(156 808)
Other comprehensive income for the year									
Balance at 28 February 2021	2 900 903					(152 893)	2 748 009		2 748 009

ACCOUNTING POLICIES

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

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 policy 31.

Use of adjusted measures

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

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

2 Changes in accounting policy and disclosures

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

The following new standards, and interpretations and amendments to existing standards, that are effective as at 28 February 2021 have been adopted by the group for the first time for the annual reporting period commencing 1 March 2020:

Number	Title	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of financial statements' and IAS 8 'Accounting policies, changes in accounting estimates and errors'	Definition of Material	1 January 2020
Amendments to IFRS 7, IFRS 9 and IAS 39	Interest rate benchmark reform	1 January 2020
Amendments to IFRS 16	COVID-19-Related Rent Concessions Amendment	
Amendments to the Conceptual framework		1 January 2020

The nature and impact are as follows:

Amendments to IFRS 16 – COVID-19-Related Rent Concessions Amendment

The group adopted the IFRS 16 COVID-19-Related Rent Concessions Amendment that provides an optional practical expedient for lessees from assessing whether a rent concession related to COVID-19 is a lease modification. The group elected to account for such rent concessions in the same way as they would if they were not lease modifications. The practical expedient was applied to all rent concessions that meet the conditions in the Amendment. In most cases this resulted in accounting for the concessions as variable lease payments.

Amendments to IFRS 7, IFRS 9 and IAS 39 – Interest rate benchmark reform

LIBOR as an interest rate benchmark is being phased out and will cease immediately after 31 December 2021. The planned alternative is the Sterling Overnight Index Average (or SONIA) which is based on actual transactions and reflects the average of the interest rates that banks pay to borrow sterling overnight from other financial institutions and other institutional investors.

UK banks will replace LIBOR with SONIA plus a 'spread adjustment'. The spread adjustment compensates the bank for the historically lower SONIA index and is the median of the five year historical spread between the two rates.

The date of conversion of LIBOR dependant loans is still uncertain. Consequently the actual spread adjustment which will be applied from the date of conversion is also unknown. Expectations are that interest costs based on LIBOR and interest costs based on SONIA with a spread adjustment will not be materially different.

Data received from HSBC indicates that spread adjusted SONIA at the reporting date would be only 0.07% higher than 3m LIBOR at the same date.

b) New standards and interpretations not yet adopted

Certain new standards, amendments and interpretations that have been published, but are not yet effective for the 28 February 2021 year end and are relevant to the group, have been summarised below. None of these standards, amendments and interpretations are expected to have a material impact of the results of the group.

International Financial Reporting Standards, interpretations and amendments issued but not effective for 28 February 2021 year-end	Effective date (annual periods beginning on or after)
Amendments to IFRS 16, 'Leases', COVID-19-Related Rent Concessions Amendment	1 June 2020
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	1 January 2021
Amendments to IAS 1, 'Presentation of financial statements', on classification of liabilities	1 January 2022
Amendment to IFRS 3, 'Business combinations'	1 January 2022
Amendments to IAS 16 'Property, Plant and Equipment' on Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on Onerous Contracts-Cost of Fulfilling a Contract	1 January 2022
Annual improvements cycle 2018 -2020	1 January 2022

3 Principles of consolidation and equity accounting

a) Subsidiaries

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

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

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

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

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

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

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

b) Transaction with non-controlling interests

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

ACCOUNTING POLICIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

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 six operating and reportable segments:

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

6 Foreign currency translation

a) Functional and presentation currency

Items included in the consolidated annual financial statements of each of the group's entities are measured using the currency of the primary economic environment in which each of the entities operate (the 'functional currency'). The functional currencies of the group's South African operations are measured in South African Rand, UK operations are in Pound Sterling, Austrian operations are in Euros, Namibian operations are in Namibian Dollars and African operations are in US Dollars. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 Leases

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

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

The group leases various offices under non-cancellable operating leases expiring within 1 years to 126 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms, escalation clauses, extension options and renewal rights. On renewal, the terms of the leases are renegotiated.

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

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

To determine the incremental borrowing rate, the group:

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

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

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

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

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

9 Property, plant and equipment

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

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

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

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

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

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

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

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

10 Intangible assets other than goodwill

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

11 Goodwill

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

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.

ACCOUNTING POLICIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

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

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

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

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

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

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

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

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

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

14 Investments and other financial assets

Assets carried at amortised cost

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

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

Impairment testing of trade receivables is described in note 12.

15 Cash and cash equivalents

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

16 Share capital

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

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

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

17 Financial liabilities

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

Financial liabilities at fair value through profit or loss

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

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

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

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

Financial liabilities measured at amortised cost

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

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

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

18 Trade and other payables

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

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

19 Financial guarantee contracts

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

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

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.

ACCOUNTING POLICIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

20 Derivative financial instruments and hedging activities

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

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

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

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

Cash flow hedges that qualify for hedge accounting

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

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

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

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

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

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

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

Derivatives that do not qualify for hedge accounting

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

21 Deferred revenue

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

22 Deferred consideration

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

23 Borrowings

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

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

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

24 Current and deferred income tax

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

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

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

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

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

Withholding tax on dividends

Dividends tax withheld by the company on dividends paid to its shareholders (who do not qualify for an exemption from dividends tax) and payable at the reporting date to the South African Revenue Service (where applicable) is included in trade and other payables in the statement of financial position.

25 Borrowing costs

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

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

Borrowing costs capitalised cannot exceed borrowing costs incurred.

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

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

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

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

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

26 Employee benefits

a) Pensions

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

b) Short-term employee benefits and compensation absences

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

c) Profit-sharing and bonus payments

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

ACCOUNTING POLICIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

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

27 Provisions

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

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

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

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

28 Revenue

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

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

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

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

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

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

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

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

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

e) **Management fee revenue**
Management fee 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 2.3 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.

The group recognises deferred tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of tax laws in each relevant jurisdiction in which the group operates.

c) Estimated impairment of goodwill

The group tested annually whether goodwill suffered any impairment, in accordance with accounting policy 11. Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the directors to estimate future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

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

d) Fair value of derivatives and other financial instruments

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

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

e) Distinguishing asset acquisitions from business combinations

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

f) Impairment of financial assets

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

The risk of default would include for example breach of any tenant covenants, volume of concessions requested and overall trading performance where applicable.

g) Lease term

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

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		Machinery, equipment and vehicles	Property	Improvements to leasehold property	Total
1	**Property, plant and equipment**				
1.1	£'000				
1.1.1	**Cost**				
	At 29 February 2020	18 120	3 526	17	21 663
	Additions	413			413
	Foreign currency translation differences	(188)			(188)
	Disposals and scrappings	(136)	(17)		(153)
	Transfer from investment property				
	At 28 February 2021	18 209	3 509	17	21 735
1.1.2	**Accumulated depreciation**				
	At 29 February 2020	10 334		17	10 351
	Charge for the year	2 350			2 350
	Foreign currency translation differences	(52)			(52)
	Disposals and scrappings	(95)			(95)
	At 28 February 2021	12 537	–	17	12 554
1.1.3	Book value at 28 February 2021	5 672	3 509	–	9 181
1.2	£'000				
1.2.1	**Cost**				
	At 28 February 2019	16 940		17	16 957
	Additions	1 622			1 622
	Foreign currency translation differences	(367)			(367)
	Disposals and scrappings	(75)			(75)
	Transfer from investment property		3 526		3 526
	At 29 February 2020	18 120	3 526	17	21 663
1.2.2	**Accumulated depreciation**				
	At 28 February 2019	7 604		17	7 621
	Charge for the year	2 881			2 881
	Foreign currency translation differences	(97)			(97)
	Disposals and scrappings	(54)			(54)
	At 29 February 2020	10 334		17	10 351
1.2.3	Book value at 29 February 2020	7 786	3 526	–	11 312

1.3 The group leases certain property, plant and equipment – refer to note 3.1.2

		GROUP	
		2021 £'000	2020 £'000
2	**Investment properties**		
2.1	Investment properties at fair value for accounting purposes (excluding straight lining)	631 551	639 376
	Investment property under development		9 688
	Straight-lining lease income accrual	31 315	30 442
		662 866	679 506
2.2	**Movement in investment properties**		
	At beginning of year	679 506	727 209
	Additions – direct acquisitions South Africa	15 991	12 101
	Additions – direct acquisitions Austria	28 826	
	Additions – through change in control of associate to subsidiary – refer note 2.10		1 789
	Construction and development costs	3 067	
	Subsequent expenditures – improvements and extensions	683	
	Capitalisation of borrowing costs – refer note 2.7	597	825
	Foreign currency translation differences	(23 147)	(37 552)
	Disposals	(10 857)	(12 296)
	Transfer to property, plant and equipment		(3 077)
	Transfer to assets held for sale	(954)	(4 442)
	Straight line lease adjustment	2 212	7 670
	Net loss from fair value adjustments on investment property	(33 058)	(12 721)
	At end of year	662 866	679 506

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

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

2.3 Property valuation details and sensitivity analysis

Impact of Covid on property valuations

Given the uncertainty of the impact that the Covid-19 pandemic will have on operations and forecasts, external valuations were prepared based on the best available information available to date. Future results may, however, differ depending on the ultimate impact that the pandemic may have on trading conditions. The external valuers considered the impact of Covid-19 when performing the valuations.

In the short term, adjustments were made for deferred rentals and relief as negotiated between the group with its tenants.

To incorporate the impact of Covid-19 on the investment property valuations the external valuers made the following adjustments to the valuations assumptions:

- A widening of the capitalisation rates to cater for market risk and uncertainty
- A reduction in market rental growth rates, this was also impacted by a reduction in inflation
- Increased void periods
- Increased negative rental reversions to take into account excess rental stock. This adjustment was sector specific
- Increased vacancy assumptions across the portfolio
- A reduction in escalation assumptions
- The inclusion of an expected credit loss provision, in addition to that assumed in the forecast. This was to cater for the uncertainty around rental collections and the continued impact of Covid-19.

All the above adjustments resulted in a reduction in the valuation of investment property. Valuation details per segment are detailed below.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

2 Investment properties (continued)

2.3 Property valuation details and sensitivity analysis (continued):

2.3.1 United Kingdom investment properties

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

					£'000	Sensitivity analysis					
Valuer	Sector	Location	Capitalisation rate	Vacancy rate	Valuation	1% increase in capitalisation rate	1% decrease in capitalisation rate	1% increase in vacancy rate	1% decrease in vacancy rate	10% increase in market rents	10% decrease in market rents
Valuation method: Income – capitalisation of earnings											
Duff & Phelps	Retail/Leisure	Bolton	6.17%	50.00%	35 649	(2 184)	9 662	(100)	100	1 676	(5 109)
Duff & Phelps	Retail	Rutherglen	9.00%	10.00%	9 528	(708)	1 497	(15)	15	1 252	(708)
Tim A Vaughan	Offices	London	4.79% – 5.00%	0.00%	45 700	(8 481)	10 127	–	–	3 432	(5 504)
Tim A Vaughan	Offices	Leeds	6.52% – 7.00%	0.00% – 10.00%	4 314	(466)	840	(1)	1	532	(439)
Tim A Vaughan	Retail	Perth, Southampton	7.60% – 8.25%	0.00%	11 062	(193)	3 054	–	–	2 448	(16)
Tim A Vaughan	Residential	Clapham London	3.95%	0.00%	5 200	(1 200)	1 479	–	–	310	(692)
Tim A Vaughan	Industrial/Leisure	Leeds, Doncaster	7.60% – 8.80%	0.00%	4 280	(407)	718			557	(351)
Tim A Vaughan	Retail	Barrhead	10.00% – 15.27%	0.00% – 8.00%	1 883	(168)	(109)	(1)	1	202	(187)
					117 615	(13 807)	27 268	(117)	117	10 409	(13 006)

Market rates in £ per m2 vary as follows per sector:
Offices – between £9 and £65
Retail – between £3 and £12
Other – between £1 and £34

Valuer	Sector	Location	Capitalisation rate	Vacancy rate	Valuation	10% increase in sales price per square metre	10% decrease in sales price per square metre
Valuation method: Sales comparison							
Duff & Phelps	Offices	London			20 688	2 082	(2 058)
Knight Frank	Offices, Residential	London			17 520	1 742	(1 760)
Tim A Vaughan	Offices/Residential	London, Berwick			7 075	708	(708)
					45 283	4 532	(4 526)

Sales price in £ per m^2 varies between £10 276 and £16 746

As for many other businesses, Covid-19 brought an unprecedented series of challenges for Moorgarth in the past financial year, which included the full or partial closure of the retail portfolio assets for most of the year, the failure of a number of significant tenants, including the Bolton anchor Debenhams, a collapse in rent collection together with a government moratorium on legal redress for landlords, and significant negative market sentiment towards retail assets, leading to major write downs in the retail portfolio in the year.

2.3.2 South Africa and Austria investment properties

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

					£'000	Sensitivity analysis					
Valuer	Sector	Location	Capitalisation rate	Vacancy rate	Valuation	1% increase in capitalisation rate	1% decrease in capitalisation rate	1% increase in vacancy rate	1% decrease in vacancy rate	10% increase in market rents	10% decrease in market rents
Valuation method: Income – capitalisation of earnings											
Roper & Associates	Retail	KwaZulu-Natal	9.00%	3.00%	575	(70)	59	(6)	6	53	(77)
	Offices	KwaZulu-Natal	8.00% – 10.00%	3.00% – 8.00%	5 328	(576)	736	(55)	55	713	(713)
	Industrial	KwaZulu-Natal	8.75% – 11.50%	0% – 5%	52 407	(4 828)	7 039	(545)	539	6 685	(5 796)
Swindon Property Services (Pty) Ltd	Retail	various in SA	9.50% – 10.50%	2.00% – 3.00%	11 723	(1 336)	1 069	317	118	1 133	(1 653)
	Industrial	various in SA	9.00% – 10.00%	1.00% – 5.00%	18 054	(2 223)	1 455	(181)	181	1 518	(2 672)
Urban Valuations Incorporated	Retail	KwaZulu-Natal	9.00%	3.00% – 5.00%	2 514	(248)	315	(26)	26	340	(340)
	Offices	KwaZulu-Natal	9.50%	7.50%	1 813	(177)	210	(20)	20	240	(244)
	Industrial	KwaZulu-Natal	8.50% – 9.50%	2.00% – 5.00%	8 841	(759)	1 231	(93)	93	1 515	(1 256)
Roger O'Leary & Associates Incorporated	Industrial	various in SA	8.25% – 9.50%	2.00% – 3.00%	46 186	(3 660)	6 933	(484)	484	6 062	(3 965)
Knight Frank (Gauteng) (Pty) Ltd	Industrial	various in SA	9.00% – 12.00%	2.00% – 3.00%	80 300	(6 704)	9 991	(847)	847	8 104	(6 490)
Directors valuation	Retail	various in SA	9.00% – 11.00%	0.00% – 5.00%	35 298	(3 326)	4 403	(361)	113	4 331	(4 069)
	Offices	various in SA	9.00% – 14.00%	0% – 35.00%	15 926	(1 837)	1 374	(166)	84	1 205	(1 999)
	Industrial	various in SA	8.50% – 14.00%	0.00% – 5.00%	121 529	(10 153)	17 024	(1 242)	117	16 348	(12 460)
					400 496	(35 897)	51 839	(3 709)	2 683	48 247	(41 734)

Market rates in £ per m2 vary as follows per sector:
Industrial – between £1 and £3
Retail – between £2 and £7
Offices – between £4 and £10

NOTES (CONTINUED)

2 Investment properties (continued)

2.3 Property valuation details and sensitivity analysis (continued):

2.3.2 South Africa and Austria investment properties (continued)

			£'000	Sensitivity analysis		
Valuer	Sector	Location	Valuation	1% decrease in discount rate	10% increase in estimated rental value	10% decrease in estimated rental value
Valuation method: Income – discounted cash flow						
Swindon Property Services (Pty) Ltd	Retail	KwaZulu-Natal	86	5	10	(5)
Directors valuation	Retail	KwaZulu-Natal	143	5	14	(14)
			229	10	24	(19)

Rental values in £ per m^2 vary between £5 and £6

Valuer	Sector	Location	Valuation	10% increase in sales price per square metre	10% decrease in sales price per square metre
Valuation method: Sales value/direct comparison/cost					
Roger O'Leary & Associates Incorporated (Direct comparison)	Land	KwaZulu-Natal	389	39	(39)
Directors valuation	Retail/Offices/ Industrial	various in SA	3 535	407	(310)
Directors valuation	Retail	Austria	28 826	2 883	(2 883)
Under construction	Retail/Industrial	various in SA	10 768		
			43 518	3 329	(3 232)

Sales price in £ per m^2 varies between £56 and £701

The Covid-19 impact has not been significant due to the majority of the property portfolio having an industrial composition. Covid-19 exposed weaknesses in the Retail and Office sector particularly with employees staying away from the office and shoppers away from retail centres. As lockdown levels have eased across the country, we find that a new trend is emerging where office workers are more likely to work from home, or on a part time home basis and shoppers are more likely to purchase online. Industrial property has not been affected to these levels as the supply chains have stayed intact with manufacturing and distribution still taking place. We have noted slight reversion on market rental rates and vacancy provisions. Our high weighted average lease expiry on the industrial portfolio has also protected our net operating income in the valuation process. During our review of external valuations and the preparation of the management valuations we did note that capitalisation rates moved marginally out. Vacancy, capitalisation rates, as well as revised market rental rates in the valuations have taken into account the current economic impact of Covid-19 and the potential future expected impact.

2.3.3 Namibia investment properties

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

					£'000	Sensitivity analysis					
Valuer	Sector	Location	Capitalisation rate	Vacancy rate	Valuation	1% increase in capitalisation rate	1% decrease in capitalisation rate	1% increase in vacancy rate	1% decrease in vacancy rate	10% increase in market rents	10% decrease in market rents
Valuation method: Income – capitalisation of earnings											
P.J. Scholtz	Retail	Windhoek	10.00%	5.00%	8 709	(792)	968	122	(122)	(1 135)	1 135
Director's valuation	Retail	various in Namibia	8.50% – 8.75%	1.50% – 2.40%	19 658	(2 911)	3 663	335	(321)	(3 285)	3 285
					28 367	(3 703)	4 631	457	(443)	(4 420)	4 420

Market rents in £ per m^2 vary between £6 and £86

Valuer	Sector	Location	Valuation	1% decrease in discount rate	10% increase in estimated rental value	10% decrease in estimated rental value
Valuation method: Income – discounted cash flow						
P.J. Scholtz	Retail	Gobabis	6 461	57	25	(25)

Rental values in £ per m^2 vary between £6 and £9

Due to the Namibia portfolio being mainly retail focused with components of offices, gyms, and hospitality the valuations did not stand up to the pandemic as well as the South African portfolio did. This is evident in the drop in turnover by 12.6% pre remissions [N$2m] and straight-line rental. The bulk of this is on the Mutual Platz property which was 38% down in income. The flight from inner-city offices and the demise of retailer Edcon left voids in this building. The portfolio has been impaired by 1.7%.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

2 Investment properties (continued)

2.3 Property valuation details and sensitivity analysis (continued):

2.3.4 Africa investment properties

A register containing details is available for inspection at the following locations:
Plot 729 & Plot 12, Cairo Road, Lusaka, Zambia: Office 5 Lonhro House Plot 12 Cairo Road Lusaka Zambia
BAT and Pemba: Mozambique, Cidade de Maputo, DISTRITO KAMPFUMO, Bairro Polano Cimento, Av. Armando Tivane n° 245

					£'000	Sensitivity analysis £'000					
Valuer	Sector	Location	Capitalisation rate	Vacancy rate	Valuation	1% increase in capitalisation rate	1% decrease in capitalisation rate	1% increase in vacancy rate	1% decrease in vacancy rate	10% increase in market rents	10% decrease in market rents
Valuation method: Income – capitalisation of earnings											
Directors valuation	Industrial	Maputo, Mozambique	8.50%	0.00%	8 595	(778)	987			751	(681)
Directors valuation	Retail	Pemba, Mozambique	9.75%	4.14%	9 814	(849)	1 111	(76)	138	1 064	(909)
					18 409	(1 627)	2 098	(76)	138	1 815	(1 590)

Market rents in £ per m^2 vary between £53 and £167

Valuer	Sector	Location	Valuation	10% increase in sales price per square metre	10% decrease in sales price per square metre
Valuation method: Sales value					
Sale agreement	Retail	Lusaka, Zambia	2 474	25	(22)

The sales value in £ per m^2 is £351

Mozambique had isolation restrictions in place and not a full lockdown. All tenants remained trading. There were no rental remissions/concessions granted to tenants. On the Pemba property a director's valuation was used where rental yields and vacancies are the main considerations. As the centre is still trading, the impact on the valuation is considered to be low. On the BAT warehouse, the property is fully let by a single tenant and the rental is received a year in advance. The impact on the valuation is also considered low. Zambia was in a partial lockdown and rental remissions of USD 9 706 were granted to tenants. However, there was no impact on the valuation of the property as it is based on a signed sale agreement. There have been no discussions to adjust the selling price.

		GROUP	
		2021 £'000	2020 £'000
2.4	Investment properties with a carrying amount that were vacant at year-end.	4 241	992

2.5 **Lessor accounting**

The group has entered into various operating lease agreements as the lessor of property. The period of leases whereby the group leases out its investment property under operating leases varies from shorter than 1 year to 13 years (2020: 1 year to 14 years) in South Africa; shorter than 1 year to 20 years (2020: 1 year to 20 years) in the United Kingdom; 1 year to 5 years in Namibia and 1 to 15 years in Africa excluding Namibia.

The investment properties are leased to tenants under operating leases with rentals payable monthly/quarterly, with the exception of two Africa tenants for which rentals are payable annually in advance. Lease payments for some contracts include CPI increases, but there are no other variable lease payments that depend on an index or rate. Where considered necessary to reduce credit risk, the group may obtain bank guarantees for the term of the lease.

Although the group is exposed to changes in the residual value at the end of the current leases, the group typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the properties.

The group has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Below sets out a maturity analysis of the undiscounted lease payments to be received after the reporting date:

	2021 £'000	2020 £'000
Within 1 year	55 569	55 495
Between 1 and 2 years	51 558	49 283
Between 2 and 3 years	45 665	47 404
Between 3 and 4 years	43 514	41 241
Between 4 and 5 years	40 175	40 169
Later than 5 years	143 489	191 600
	379 970	425 192

Impact of Covid-19

South Africa operations

No impact on the undiscounted lease payments is expected due to the strong tenant mix and the building type mix of the portfolio.

UK operations

The Covid-19 pandemic has forced many businesses and tenants of the group to temporarily close their businesses, especially in our retail properties. Rent concessions of £360 000 have been granted to some tenants who have experienced difficulties in these difficult times. Where these concessions relate only to rent payments due in the period and do not represent variations to the remainder of the lease terms, those concessions have been recognised in the income statement over the period to which the concessions relate. If the concessions form part of a renewal or extension of an existing lease, the concession has been spread over the life of the new lease.

Africa (excluding Namibia) operations

Mozambique had isolation restrictions in place and not a full lockdown. All tenants remained trading. There were no rental remissions/ concessions granted to tenants in the Feb 2021. The contractual income to be received has not changed as a result of Covid-19. The impact on the undiscounted lease payments to be received is considered low. On the BAT warehouse, the property is fully let by a single tenant and the rental is received a year in advance. The contractual income to be received has not changed as a result of Covid-19. The impact on the undiscounted lease payments to be received is considered low. Zambia was in a partial lockdown and rental remissions of USD 9 706 were granted to tenants in the Feb 2021 year. However, the contractual income to be received has not changed as a result of Covid-19. The impact on the undiscounted lease payments to be received is considered low.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP 2021 £'000	GROUP 2020 £'000
2	**Investment properties (continued)**		
2.6	**Income and expenditure relating to investment properties**		
	Rental income	76 242	95 933
	Direct operating expenditure	9 561	1 628
	Direct operating expenses recognised in profit or loss relating to investment property that was unlet.	151	29
2.7	The borrowing costs were capitalised at the following rates, being the weighted average interest rate applicable to the entity's general borrowings during the year:		
	South Africa	between 6.50% and 7.00%	between 9.25% and 13%
	Namibia	—	between 10% and 10.25%

2.8 The impact of expected credit losses on the straight-lining lease income accrual has been assessed. There has been no impairment of the straight line lease asset after reviewing the performance over the past year, none was identified and being needed to be impaired. The tenant and building category mix has been resilient during the course of the pandemic and no impairment was judged necessary by management.

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

2.10 Acquisition of Austrian property companies

On 26 February 2021, the Collins group acquired full control of a portfolio of 6 single tenant retail properties located in Austria, through acquisition of the respective property holding companies and the incorporation of 2 new Austrian investment holding companies.

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

3 Lease accounting – right of use assets and lease liabilities

This note provides information for leases where the group is a lessee, which is applicable mainly to the group's serviced office business. For leases where the group is a lessor – refer note 2.5

The group leases various offices under non-cancellable operating leases expiring within 1 years to 126 years (2020: 2 years to 107 years). Lease terms are negotiated on an individual basis and contain a wide range of different terms, escalation clauses, extension options and renewal rights. On renewal, the terms of the leases are renegotiated.

The group adopted the IFRS 16 COVID-19-Related Rent Concessions Amendment that provides an optional practical expedient for lessees from assessing whether a rent concession related to Covid-19 is a lease modification. The group elected to account for such rent concessions in the same way as they would if they were not lease modifications. The practical expedient was applied to all rent concessions that meet the conditions in the Amendment. In most cases this resulted in accounting for the concessions as variable lease payments. Rent concessions were received in the form of rent-free periods and utilisation of deposits. Refer note 3.1.2 for the profit or loss impact.

The group has received some rent concessions in respect of its leased properties during the year. Where appropriate, in that remaining lease terms are unaffected, the group has taken the optional exemption from assessing the concession as a lease modification. Such concessions have been accounted for as a variable lease payment and recognised in the income statement in the reporting period.

		GROUP	
		2021 £'000	2020 £'000
3.1	**Amounts recognised in the balance sheet**		
3.1.1	**Right-of-use assets**		
	Fair value	40 640	49 021
	Movement in fair value – Buildings		
	Opening balance	49 021	
	Adoption of IFRS 16		51 487
	Additions	4 429	6 810
	Disposals and scrappings	(7 186)	(3 475)
	Net loss from fair value adjustments on investment property	(5 604)	(5 801)
	Foreign currency translation movements	(20)	
	Closing balance	40 640	49 021
3.1.2	**Lease liabilities**		
	Current	5 464	5 804
	Non-current	35 111	43 149
		40 575	48 953
	Movement in lease liabilities		
	Opening balance	48 953	
	Adoption of IFRS 16		51 487
	Additions	4 429	6 747
	Adjustment for rent concessions	(145)	
	Interest	1 973	2 208
	Repayments	(7 437)	(8 012)
	Disposals and scrappings	(7 186)	(3 475)
	Foreign currency translation movements	(12)	(2)
	Closing balance	40 575	48 953
	Commitments for minimum lease payments under non-cancellable operating leases are payable as follows:		
	Expenditure to be incurred within 1 year	7 654	8 161
	Between 1 and 2 years	7 560	8 487
	Between 2 and 3 years	6 492	8 183
	Between 3 and 4 years	6 037	7 274
	Between 4 and 5 years	5 232	6 365
	To be incurred after 5 years	25 333	30 331
		58 308	68 801
	The Commitments for minimum lease payments have been further disaggregated in the current year to provide more useful information to the users regarding the Groups commitments under the non-cancellable leases. As a result, the comparative period has also been disaggregated to be comparable to the current year.		
	Sub-lease payments		
	Future minimum lease payments expected to be received in relation to non-cancellable sub-leases of operating leases	27 514	39 088
3.2	**Amounts recognised in the statement of profit or loss**		
	Net loss from fair value adjustments on investment property – buildings	5 604	5 801
	Changes in lease payments arising from rent concessions to which IFRS 16 Amendment applied	231	
	Interest expense (included in finance cost)	1 973	2 208
	Expense relating to variable lease payments not included in lease liabilities (included in lease expenses)	24	27
3.3	**Total cash outflow for leases during the reporting period**	(7 437)	(8 012)

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP 2021 £'000	GROUP 2020 £'000
4	**Intangible assets**		
	Goodwill – refer note 4.1	8 031	8 031
	Other intangible assets – refer note 4.2	—	—
		8 031	8 031
4.1	**Goodwill**		
	Cost	8 031	8 031
	Accumulated impairment losses	—	—
		8 031	8 031

4.1.1 Allocation of goodwill to cash-generating units

The goodwill acquired in a business combination is allocated, at acquisition, to the CGU or group of CGUs that is expected to benefit from that business. Goodwill arose from the acquisition of The Boutique Workplace Co Ltd ("Boutique") which has been identified as the CGU for which this goodwill has been allocated.

GROUP

2021	Opening	Additions	Foreign currency translation movements	Disposals	Warranty settlement	Closing
Boutique	8 031		—			8 031

2020	Opening	Additions	Foreign currency translation movements	Transfer to assets held for distribution	Warranty settlement	Closing
Boutique	8 021	10	—			8 031

4.1.1.1 Impairment review

Goodwill is assessed for impairment annually, irrespective of whether there is any indication of impairment.

Management have reviewed expected (post Covid-19) future performance of The Boutique Workplace Co Ltd to assess the carrying value of goodwill. Management are satisfied that the carrying value of goodwill is supported by the cash flows shown by the post Covid-19 forecasts. The test assumed increased profitability in the new financial year based on the latest number of enquiries from prospective tenants and rent collection experience. It also assumed no organic growth in the number of sites operated by the serviced office business. No impairment arose as a result of this test (2020: nil).

	GROUP	
	2021 %	**2020 %**
The key assumptions, long term growth rate and discount rate used in the value-in-use calculations are as follows:		
Pre-tax discount rate	4.46%	5.37%
Growth rate	2.7%	4.50%
Sustainable growth rate	0%	0%
The principal assumptions where impairment occurs are as follows:		
Pre-tax discount rate	10.29%	16.02%
Growth rate	0%	(6.30%)
Sustainable growth rate	0%	0%

Management have determined the values assigned to each of the above key assumptions as follows:
Discount rate – a pre-tax discount rate reflective of the specific risks applicable to the Boutique CGU
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 to assess goodwill carrying value. These financial forecasts yielded a short-medium term growth rate of 2.7% over a 5 year period, due to the turnaround position from loss to profit following the impact of Covid-19 on the current trading year.

Assumptions in the forecast include numbers of new offices opened per year, occupancy rates and how quickly new offices will become fully occupied.
Sustainable growth rate – cash flows beyond the five year period are assumed to be constant.

	£'000	**£'000**
4.2 Other intangible assets		
Cost	1 518	1 518
Accumulated amortisation	(1 518)	(1 518)
	–	–
4.2.1 Accumulated amortisation		
Balance at beginning of year	(1 518)	(1 459)
Amortisation for the year		(59)
	(1 518)	(1 518)

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

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		COMPANY 2021 R'000	COMPANY 2020 R'000
5	**Investment in subsidiaries**		
5.1	**Shares in subsidiaries consisting of**		
	Shares in Tradegro Holdings (Pty) Ltd at cost (100% held)	7 838	7 838
		7 838	7 838
5.2	**Loans to subsidiaries consisting of**		
	Amount owing by Tradegro Holdings (Pty) Ltd (100% held)	2 703 659	2 859 463
	As part of a subordination agreement the company has deferred its right to claim payment of the amount owed by Tradegro Holdings (Pty) Ltd in favour of other creditors. The loan is unsecured and interest free with no fixed date of repayment, and has been classified as non-current.		
	Loan (from)/to subsidiary company – Tradegro S.à r.l. (100% held)	1 052 518	1 132 050
	R1 040 million of the loan to Tradegro S.à r.l. bears interest at a rate of 72% of 3 month ZAR JIBAR plus 3%, payable quarterly, with capital of R11.3 million repayable semi-annually, and the balance repayable on 20 December 2021. The balance of R12.2 million is interest free, unsecured and a direct foreign investment, with no fixed date of repayment, and has been classified as non-current.		
		3 756 177	3 991 513
	Non-current	2 715 876	3 968 817
	Current	1 040 301	22 696
		3 756 177	3 991 513

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

Management have performed an assessment of the recoverability of the loan to Tradegro S.à r.l. This assessment looked at the likelihood of a number of scenarios and the cash flows of each of those scenarios, as well as the security held in the form of first charges over various investment properties located in the United Kingdom. These scenarios include a review of the 18 month cash flow forecasts of the UK operations, which show that current debt can be serviced for the 18 months to 31 August 2022, and the operating cash flow forecasts of Tradegro S.à r.l., as well as review of the investment property valuations at the reporting period date. The assessment does not show an impairment of the loan.

The loan is repayable on 20 December 2021, but this was extended to 30 June 2022 after the end of the reporting period, to align with the extension of the RMB preference share facility – refer note 18.4

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, and the value of the investment properties held as security exceeds the amount of the loan outstanding.

		GROUP	
		2021 £'000	**2020 £'000**
6	**Interests in joint venture**		
6.1	Consisting of		
	Shares at cost plus attributable retained income	9 092	12 312
	Financial assets – loans due from joint ventures	9 893	16 376
		18 985	28 688
6.2	Shares at cost plus attributable retained income		
	The carrying amount of equity accounted joint venture investments has changed as follows during the year:		
	At beginning of the year	12 312	11 328
	Reallocation/capitalisation of loan accounts		2 125
	Share of profit/(loss)	(2 966)	(1 141)
	Dividends received	(254)	
	Carrying value	9 092	12 312
6.3	Loans due from joint ventures and joint operations		
	Inception (Reading) S.à r.l.	20 326	18 311
	Moorgarth Group Ltd has provided an unsecured £14 000 000 loan to Inception (Reading) S.à r.l. Interest accrues daily at an annual rate of 3 month UK LIBOR + 7%, payable quarterly. The full capital amount is due for repayment by agreement between the parties. It is management's intention to extend the repayment date by more than 12 months.		
	Mega Centre JV	1 314	1 608
	The loan is unsecured, and bears interest at Namibian prime when funded equally by both partners. When funded disproportionately the loan bears interest at Namibian prime plus 2% on this unequal portion. The loan is repayable on demand. There are no repayments expected within the next 12 months and therefore it has been classified as non-current.		
		21 640	19 919
	Less: Loss allowance	(11 747)	(3 543)
		9 893	16 376
6.4	Movements in loans due from joint ventures		
	Opening balance	16 376	18 371
	Loan advanced to joint ventures	875	700
	Interest	1 252	1 358
	Reallocation		(2 125)
	Loans repaid by joint ventures	(337)	(356)
	Loss allowance	(8 204)	(1 419)
	Foreign currency translation differences and forex losses	(69)	(153)
	Closing balance	9 893	16 376

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

6 Interests in joint venture (continued)

6.5 Credit risk management practices and impairment assessment

Management have performed an assessment of the recoverability of the loan to Inception Reading S.à r.l. (IRS). This assessment looked at the likelihood of a number of scenarios and the NPV of the cash flows of each of those scenarios. These scenarios are based on the sale of the Broad Street Mall property held by IRS for a range of values. The assessment of the likely cash generated by a sale, together with the ongoing operating cash flows of the business received before a sale, shows that an impairment of the loan has occured.

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

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

There have been no changes in assumptions during the year.

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

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

6.6 Details of joint ventures

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

Name of company	Place of business/ country of incorporation	% ownership interest 2021	% ownership interest 2020	Carrying amount £’000 2021	Carrying amount £’000 2020
Inception (Reading) S.à r.l.	UK/Luxembourg	50	50	—	—
Moolmoor Holdings Ltd	UK	50	50	9 541	7 739
Moolmoor Investments Ltd	UK	50	50	(1 257)	—
Moolmoor Waverley Ltd	UK	50	50	808	4 318
Reading Site Services Ltd	UK	50	50	—	—
Moolmoor Site Services Ltd	UK	50	50	—	255
				9 092	12 312

The joint ventures are private companies and there are no quoted market price available for their shares. Inception (Reading) S.à r.l. holds 100% of the shares of Reading Site Services Ltd and Moolmoor Holdings Ltd owns 100% of the shares of Moolmoor Investments Ltd, Moolmoor Waverley Ltd and Moolmoor Site Services Ltd.

6.7 Commitments and contingent liabilities in respect of joint venture

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

6.8 Summarised financial information per joint venture entity

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

Summarised financial information for the year ended 28 February 2021

	GROUP						
£'000	**Inception (Reading) S.à r.l.**	**Moolmoor Holdings Ltd**	**Moolmoor Investments Ltd**	**Moolmoor Waverley Ltd**	**Reading Site Services Ltd**	**Moolmoor Site Services Ltd**	**Total**
Current							
Cash and cash equivalents	758		416	707	46	4	1 931
Other current assets (excluding cash)	1 515		416	831	70	91	2 923
Total current assets	2 273		832	1 538	116	95	4 854
Financial liabilities (excluding trade payables)	(83 800)						(83 800)
Other current liabilities (including trade payables)	(1 677)	(284)	(442)	(1 263)	(69)	(46)	(3 781)
Total current liabilities	(85 477)	(284)	(442)	(1 263)	(69)	(46)	(87 581)
Non-current							
Assets	60 060	19 616	14 000	28 004	1		121 681
Total non-current assets	60 060	19 616	14 000	28 004	1	—	121 681
Financial liabilities		(250)	(16 831)	(26 362)	(50)	(50)	(43 543)
Other liabilities	(441)		(72)	(345)			(858)
Total non-current liabilities	(441)	(250)	(16 903)	(26 707)	(50)	(50)	(44 401)
Net assets	(23 585)	19 082	(2 513)	1 572	(2)	(1)	(5 447)
Summarised statement of comprehensive income							
Revenue	3 875		1 261	1 584	176	121	7 017
Depreciation and amortisation	(235)		(58)	(73)			(366)
Interest income	(3 620)	1 029	(662)	(1 030)			(4 283)
Income expense	(1 377)	(3)	(343)	(1 197)	(176)	(121)	(3 217)
Revaluation deficit	(15 217)		(85)	(7 464)			(22 766)
Pre-tax profit from continuing operations	(16 574)	1 026	113	(8 180)	—	—	(23 615)
Income tax expense	168	15	(63)	1 160			1 280
Post-tax profit from continuing operations	(16 406)	1 041	50	(7 020)		—	(22 335)
Post-tax profit from discontinued operations							—
Other comprehensive income	41		13	(44)			10
Total comprehensive income	(16 365)	1 041	63	(7 064)			(22 325)
Dividends received from joint venture							—
Reconciliation to carrying value							
Opening net assets	(7 219)	18 042	(2 576)	8 636	(3)		16 880
Profit for the period	(16 407)	1 040	50	(7 021)			(22 338)
Other comprehensive income	41		12	1			54
Closing net assets	(23 585)	19 082	(2 514)	1 616	(3)	—	(5 404)
Interest in Joint venture @ 50%	(11 793)	9 541	(1 257)	808	(2)		(2 703)
Add back: loss	11 793				2		11 795
Carrying value	0	9 541	(1 257)	808	—	—	9 092

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 2021

6 Interests in joint venture (continued)

6.8 Summarised financial information per joint venture entity (continued)

Summarised financial information for the year ended 29 February 2020

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

6.9 Details of joint operation

Name of joint operation	Place of business/ country of incorporation	% ownership interest 2021	% ownership interest 2020	Value of net assets £'000 2021	Value of net assets £'000 2020
Mega Centre JV	Namibia	50	50	7 886	5 873

	GROUP 2021 £'000	GROUP 2020 £'000
6.9.1 Summarised financial information for the joint operation		
Summarised balance sheet as at 28 February		
Current		
Cash and cash equivalents	61	68
Other current assets (excluding cash)	54	46
Total current assets	115	114
Financial liabilities (excluding trade payables)	(5 259)	(6 433)
Other current liabilities (including trade payables)	(144)	(152)
Total current liabilities	(5 403)	(6 585)
Non-current		
Assets	13 173	12 345
	13 173	12 345
Financial liabilities		—
Other liabilities		—
Total non-current liabilities		
Net assets	7 885	5 873
Summarised statement of comprehensive income for the year ended 28 February		
Revenue	1 491	1 747
Depreciation and amortisation		—
Interest income		9
Income expense	1 241	(893)
Pre-tax profit from continuing operations	2 732	863
Income tax expense	—	—
Post-tax profit from continuing operations	2 732	863
Post-tax profit from discontinued operations	—	—
Other comprehensive income	—	—
Total comprehensive income	2 732	863
Dividends received from joint venture	—	—

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP	
		2021 £'000	2020 £'000
7	**Interests in associates**		
7.1	Consisting of		
	Shares at cost plus attributable retained income	–	504
	Financial assets – loans due from associates	5 468	5 578
		5 468	6 082
	Loans due to associates	–	
		5 468	6 082
7.2	Shares at cost plus attributable retained income		
	The carrying amount of equity accounted associated entity investments has changed as follows during the year:		
	At beginning of the year	504	543
	Share of loss	(474)	
	Foreign currency translation differences	(30)	(39)
		–	504
7.3	Loans due from associates		
	Steps Towers Property Investments	4 345	4 447
	The above unsecured loan accrues interest at the Namibian prime rate plus 2%. There are no set terms of repayment.		
	Afrisaf Investment Holdings (Pty) Ltd	1 149	1 552
	The above unsecured loan accrues interest at the South African prime rate. There are no set terms of repayment.		
		5 494	5 999
	Less: Loss allowance	(26)	(421)
		5 468	5 578
7.4	Movements in loans due from/(to) associates		
	Opening balance	5 578	6 488
	Reclassified due to change in control		(632)
	Loan advanced to associates	205	601
	Interest and other fees	49	208
	Loans repaid by associates	(93)	(208)
	Loss allowance	(26)	(421)
	Foreign currency translation differences and forex losses	(245)	(458)
	Closing balance	5 468	5 578

7.5 Credit risk management practices and impairment assessment

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

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

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

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

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

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

7.6 Details of associates

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

Name of company	Place of business/ country of incorporation	% ownership interest 2021	% ownership interest 2020	Carrying amount 2021	Carrying amount 2020
Steps Towers Property Investments (Pty) Ltd	Namibia	50.0	50.0	–	449
Dunes Lifestyle Property (Pty) Ltd	Namibia	–	25.0	–	–
Afrisaf Investment Holdings (Pty) Ltd	Namibia	50.0	50.0	–	55
Greenstone Resorts (Pty) Ltd	Namibia	20.0	20.0	–	–
				–	504

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 investment in Dunes Lifestyle Property (Pty) Ltd was disposed of during the year

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

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

7.7 Contingent liabilities in respect of associates:

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

7.8 Individually immaterial associates

The interests in associates disclosed above are accounted for using the equity method and are individually immaterial to the group.

	GROUP	
	2021 £'000	2020 £'000
Aggregate carrying amount of individually immaterial associates	–	504
Aggregate amounts of the group's share of		
– (loss)/profit from continuing operations	(2 381)	944
Total comprehensive income	(2 381)	944

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

COMPANY 2020 R'000	COMPANY 2021 R'000			GROUP 2021 £'000	GROUP 2020 £'000
		8	**Loans receivable**		
		8.1	**Consisting of:**		
28 949	19 556		Loans and receivables with key persons – refer note 8.3	1 792	2 304
			Loan to U Reit Collins (Pty) Ltd – refer note 8.4	5 379	17 425
			Loans and receivables – other 8.5	995	262
28 949	19 556			8 166	19 991
			Non-current	7 553	18 285
			Current	613	1 706
				8 167	19 991

		2021 £'000	2020 £'000
8.2	**Movement in loans receivable**		
	Opening balance	19 991	10 642
	Loans granted	833	18
	Advance to UREIT iro sale proceeds due – refer note 8.4		18 181
	Interest	744	1 782
	Repayments	(12 478)	(9 064)
	Discount on redemption	(80)	
	Reallocation		133
	Loss allowance		(5)
	Foreign currency translation differences	(844)	(1 696)
	Closing balance	8 166	19 991
8.3	**Loan receivables from key persons – current and non-current**		
	Aapstert Investments (Pty) Ltd (FH Esterhuyse) – shares	933	1 445
	Eastwick Road Ltd (D Wheble) – 10% of The Boutique Workplace Company Ltd	859	859
		1 792	2 304

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

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

The loan is secured by cession and pledge of 3 066 111 shares in the company, and is considered a full recourse loan. The loan is repayable on 30 June 2025.

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.

		2021 £'000	2020 £'000
8.4	**Loan receivable from U Reit Collins (Pty) Ltd**	5 379	17 425

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

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

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

The loan is repayable on 31 May 2024.

		GROUP	
		2021 £'000	2020 £'000
8.5	**Other loan receivables**		
	Dulu Holdings (Pty) Ltd	573	–
	Dynamic Fluid Control (Pty) Ltd	258	–
	Other – current	164	262
		995	262

The loan to Dulu Holdings (Pty) Ltd is a vendor loans for a property sale in South Africa, bears interest at South African prime plus 3%, and is repayable in 36 equal monthly instalments until 31 March 2024.

The loan to Dynamic Fluid Control (Pty) Ltd is a vendor loans for a property sale in South Africa, bears interest at South African prime plus 1%, and is repayable on 5 May 2021.

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

8.6 Credit risk management practices and impairment assessment

Loan to Aapstert Investments (Pty) Ltd: Management have performed an assessment of the recoverability of the loan. This assessment looked at the likelihood of a reduction in the trading share price of the listed securities securing the loan as a result of the impact of Covid-19 on the operations of the listed entity. The loan is repayable via dividends the borrower might receive from the company and also secured via a pledge of a portfolio of listed shares. The assessment does not show an impairment of the loan.

Loan to Eastwick Road Ltd: Management have reviewed expected (post Covid-19) future performance of The Boutique Workplace Company Ltd as part of its assessment of the carrying value of goodwill of that business. It is satisfied that the carrying value of goodwill is supported by the cash flows shown by the post Covid-19 forecasts, and also thus the recoverability of the loan from Eastwick Road Ltd. The loan is repayable via dividends Eastwick Road Ltd might receive from The Boutique Workplace Company Ltd and also secured via personal guarantees from an individual with significant assets. Covid-19 has not changed assumptions used in assessing the recoverability of this loan. The assessment does not show an impairment of the loan.

Loans due from U Reit Collins (Pty) Ltd, Gijana Yanga, Rem of Lot 17 Loop St (Pty) Ltd, Dulu Holdings (Pty) Ltd, Dynamic Fluid Control (Pty) Ltd and Faroline Trading (Pty) Ltd 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.

There have been no financial impacts of due to the Covid-19 virus on the balance sheet results and cash flows of the loans, with no new significant judgements applied for expected credit losses and significant estimates due to the impact of the pandemic.

The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors such as South African prime interest rates affecting the ability of the borrower to repay its debts. This assessment approach has not been impacted due to Covid-19 nor on the recoverability of the loans.

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

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP	
		2021 £'000	2020 £'000
9	**Deferred taxation**		
	Deferred taxation assets	6 567	9 135
	Deferred taxation liabilities	(40 229)	(44 615)
	Net deferred taxation	(33 662)	(35 480)
9.1	**Deferred taxation assets**		
	Comprising temporary differences attributable to -		
	Tax losses carried forward	4 198	6 511
	Property, plant and equipment	431	1 249
	Deferred revenue	272	35
	Doubtful debts	60	86
	Financial assets at fair value through profit or loss	163	345
	Other provisions and liabilities	1 443	909
		6 567	9 135

Significant estimates

South Africa operations:

The deferred tax assets include an amount of £14 million (2020: £5 million) which relates to the carried forward tax losses of Collins Property Projects (Pty) Ltd and it's subsidiaries. The subsidiary has incurred losses relating to the letting of immovable property.

The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved budgets for the subsidiary. The subsidiaries are expected to generate taxable income or deferred tax liabilities (capital allowances) against which deferred tax assets can be set from 2021 onwards. The losses can be carried forward indefinitely and have no expiry date.

United Kingdom operations:

The deferred tax assets include an amount of £978 000 which relates to the carried forward tax losses of Moorgarth group subsidiaries. The subsidiaries have incurred the losses due to a combination of tax deductible capital allowances and tenant voids during property refurbishments

The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved budgets for the subsidiary. The subsidiaries are expected to generate taxable income or deferred tax liabilities (capital allowances) against which deferred tax assets can be set from 2021 onwards. The losses can be carried forward indefinitely and have no expiry date.

Namibia and Africa (excluding South Africa) operations:

The deferred tax assets include an amount of £681 500 which relates to the carried forward tax losses of Nguni Property Fund Ltd, Nguni Property Developments (Pty) Ltd and Probo (Pty) Ltd. The subsidiary has incurred losses relating to the letting of immovable property.

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

The group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved budgets for the subsidiaries. The Namibia subsidiaries are expected to generate taxable income from March 2021 onwards. The Africa subsidiaries are expected to generate taxable income from 2023 onwards. The losses can be carried forward indefinitely and have no expiry date.

		GROUP	
		2021 £'000	**2020 £'000**
9.2	**Movement in deferred taxation assets**		
	Balance at beginning of the year	9 135	11 811
	Income tax charge – refer note 28.2	494	352
	Increase in tax losses available for set-off against future taxable income	(2 540)	(1 549)
	Adjustment on adoption of IFRS 16		(1 084)
	Other	(1)	
	Functional currency translation differences – recognised through other comprehensive income	(521)	(395)
	Balance at end of the year	6 567	9 135
9.3	**Deferred taxation liabilities**		
	Comprising temporary differences attributable to -		
	Provisions and accruals		(284)
	Investment property	(39 363)	(43 119)
	Lease straight-lining	(453)	(514)
	Property, plant and equipment	(362)	(378)
	Prepayments	(22)	(19)
	Assets held for sale	(29)	(301)
		(40 229)	(44 615)
9.4	**Movement in deferred taxation liabilities**		
	Balance at beginning of the year	(44 615)	(43 616)
	Income tax charge – refer note 28.2	2 445	(5 390)
	On acquisition/(disposal) of subsidiaries		54
	Adjustment on adoption of IFRS 16		1 084
	Functional currency translation differences – recognised through other comprehensive income	1 946	3 384
	Other	(5)	(131)
	Balance at end of the year	(40 229)	(44 615)
9.5	**Portion of deferred tax asset to be realised within twelve months**	19	35
9.6	**Unutilised assessed losses at the beginning of the year**	296	1 424
	Losses incurred during the year	17 896	1 888
	Utilised during the year	(10 134)	(31)
	Foreign currency translation movements	2 079	246
	Unutilised assessed losses at the end of the year	10 137	3 527
	Assessed losses applied in the provision for deferred tax	(7 729)	(3 231)
	Assessed losses to be applied in reduction of future taxable income	2 408	296

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP 2021 £'000	GROUP 2020 £'000
10	**Financial assets at fair value through profit and loss**		
10.1	**Consisting of**		
	Investment in DV4 Ltd	4 028	4 638
	Investment in Capricon Corporate Fund	53	53
	Investment in Reward Investments (No.2) Ltd	—	3 006
	Financial assets at fair value through profit or loss	4 081	7 697
	The assets were valued using an income based approach to determine the fair value. Management's intention is to sell these assets within 12 months.		
10.1.1	24 977 508 (2020: 24 977 508) A Shares in DV4 Ltd designated at fair value through profit or loss; and shares in Capricorn Corporate Fund Class B: 1 060 365 (2020: 1 060 365) units		
	At beginning of year	4 691	4 962
	(Disposal) / acquisition	2	(41)
	Fair value gain/(loss)	(610)	589
	Foreign currency translation differences	(2)	(7)
	Distribution received (return of capital)		(812)
	At end of year	4 081	4 691
10.1.2	The 10% ordinary Shares in Reward Investments (No.2) Ltd were disposed of during the year for £2.6 million.		
	At beginning of year	3 006	2 586
	Disposal	(2 600)	
	Fair value (loss)/gain	(406)	420
	At end of year	—	3 006
10.2	**Estimates used and sensitivity analysis**		
	The value of investment in DV4 is taken as the relevant share of net assets of DV4 when valued on an IFRS basis per the fund managers valuation. 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 2021 – refer note 34.9		
	A 5% increase in the value of investments would increase the group's net profit by	204	385
	whilst a 5% decrease in the value of investments would reduce the net profit by	(204)	(385)
10.3	**Analysis of total financial assets**		
	Non-current	—	—
	Current	4 081	7 697
		4 081	7 697
11	**Net assets held for sale**		
11.1	**Consisting of**		
	Investment property held for sale – refer note 11.2	954	4 507

11.2 Three properties, known as Church Street 178, Berg Street 169 and Wiganthorpe Road 17 were subject to an unconditional sale but not disposed of at February 2021 for R19.9 million (£954 000), and each property has been valued at its selling price less costs to sell at reporting date.

These properties are presented within the Property – South Africa operating segment

		GROUP	
		2021 £'000	2020 £'000
12	**Trade and other receivables**		
	Trade receivables – refer note 12.1	2 596	2 197
	Other receivables – refer note 12.2	3 697	4 917
		6 293	7 114
12.1	**Trade receivables in respect of**		
	Outstanding rent	3 935	2 726
	Less: Loss allowance	(1 339)	(529)
		2 596	2 197
12.2	**Other receivables**		
	Proceeds due on sale of South Africa investment property		699
	Service charge receivables	31	–
	Indirect taxes receivable	2 308	3 462
	Development costs receivable from partner		516
	Accrued income	1 253	
	Other receivables	451	620
		4 043	5 297
	Less: Loss allowance	(346)	(380)
	Indirect taxes receivable	(346)	(380)
		3 697	4 917
	The carrying value less impairment provision of trade and other receivables are approximately their fair values.		
12.3	**Analysis of total trade and other receivables**		
	Non-current		
	Current	6 293	7 114
		6 293	7 114

12.4 Credit risk management practices and impairment assessment

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

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

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

South Africa operations

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.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

12 Trade and other receivables (continued)

12.4 Credit risk management practices and impairment assessment (continued)

The total rental remissions granted to tenants was R 30.8m (£1.4 million). These remissions were granted to assist tenants whose operations were adversely impacted by the pandemic. The accounting treatment of the remissions was a reduction against the contractual income raised per the lease agreement which resulted in disclosure of lower rental income.

There has been a minimal impact on the expected credit losses, with assessments over arrears enhanced during the various stages of the national lockdown.
Industrial tenants – these tenants performed their own procedures in response with nationally announced legislations and regulations to mitigate the impact of the national lockdown on their operations, and remained operational, with remissions granted after significant discussions and review by management.
Retail tenants – those deemed essential received assistance only where appropriate in relation to the lockdown regulations relating to liquor sales, and non-essential tenants were granted remissions in line with management's expectations of the lockdown easing, and to assist the tenants to remain operational.
Office tenants – procedures were implemented to ensure full payment of contractual amounts received except for amounts agreed as remissions during the height of the initial or "hard" lockdown period where full access to the premises were prevented.
Restaurant tenants – have been significantly impacted by the national lockdown, with the approach taken by management to assist with remissions and deferrals while actively engaging with the tenants to develop takeaway options and various payment plans.
The impact of the remissions granted and the impact of the expected credit losses is regarded as minimal and within the scope of normal operations.

As such management has not been required to readjust the current modelling used to perform Expected Credit Losses but has taken the view to continuously enhance and improve the existing processes as part of an ongoing and long term view relating to the ongoing lockdown and current Covid-19 economic environment.

United Kingdom operations excluding Boutique
Under normal conditions, credit risk is mitigated by the ability to exercise legal recovery of arrears. Enforcement action has been limited under UK law during the Covid-19 pandemic.

The following changes in assumptions occurred during the year as a result of Covid-19, which have had an impact on forward looking factors in the ECL:
There are no significant general assumptions that have changed. The individual assessment of each tenant has resulted in an increase in the expected loss allowance overall. This is due to the size and likelihood of loss for those tenants that require an allowance.
Additionally the UK government has placed limits on landlords' ability to exercise their rights under lease terms to recover rent arrears. This is due to expire on 31 May 2021. This has limited the groups ability to pursue and recover rent arrears where these have built up.
Given the group has neither disposed of nor purchased investment properties during the year, management has concluded that Covid-19 is almost entirely responsible for the increase in the loss allowance.

In the UK, traditionally rent is invoiced quarterly in advance, the relevant dates being 25 March, 25 June, 29 September and 25 December. The pandemic affected all 4 quarters, with December the worst affected, with Retail and Offices/other collections dropping to 68%. and 94% respectively.
The UK went into another full lockdown from 6 January 2021 which closed all hospitality and non-essential retail until 12 April 2021. Rent has been received in full from some tenants during these quarters but generally, monthly payments and deferred payments and other concessions have been provided as companies manage their cashflow. In the UK rent remains due and payable even if unpaid. The rent is only written off when a formal agreement has been reached with the tenant, otherwise it remains as a debt.
The government, through its emergency measures, has prevented landlords from taking possession of properties where rents have been unpaid. Management has taken whatever action is possible to recover those debts.

Management has made new assessments across the portfolio and where the probability of receiving amounts due is low, full provision has been made. The loss allowance on trade receivables has increased by £1.27 million in the reporting period

Boutique
There has been no impact on collections, however revenue is 20% lower than expected for the year as a direct result of Covid-19. Management is hopeful that once the pandemic restrictions fall away, revenue will return to its historic level. It has mitigated shortfalls in income through agreeing concessions with its landlords on rent payments and utilising government financial support schemes.
Expected credit losses – the potential impact is regarded as low as the majority of tenants outstanding at the reporting date have paid their balances.

12.4.1 Detail on the monthly collections and tenant relief per sector as a result of the COVID-19 pandemic are set out in the table below:

	GROUP				
South Africa operations	**Total billing before concessions/ deferrals**	**Relief granted – concessions**	**Relief granted – deferrals**	**Collections**	**Total collections %**
Industrial properties	44 966	1 139	131	43 770	100%
Retail properties	6 989	254	9	6 698	99.6%
Offices	4 251	52	27	4 054	97.2%
Total	56 206	1 445	167	54 522	99.9%
United Kingdom operations	**Billed**			**Collected**	**Collected %**
Retail	17 061			12 880	75.5%
Office/other	4 156			3 922	94.4%
	21 217			16 802	79.2%

12.4.2 The loss allowance was determined as follows for trade and other receivables:

	GROUP				
28 February 2021	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected loss rate %	1%	9%	10%	39%	21%
Gross carrying amount – trade receivables	1 198	470	717	1 551	3 936
Gross carrying amount – other receivables	1 627			2 416	4 043
Loss allowance	39	40	71	1 534	1 684
29 February 2020	**Current**	**More than 30 days past due**	**More than 60 days past due**	**More than 120 days past due**	**Total**
Expected loss rate %	1%	31%	31%	19%	11%
Gross carrying amount – trade receivables	1 603	412	149	562	2 726
Gross carrying amount – other receivables	2 281			3 016	5 297
Loss allowance	45	127	47	690	909

	GROUP	
	2021 £'000	**2020 £'000**
The closing loss allowances for trade and other receivables reconciles to the opening loss allowance as follows:		
Opening loss allowance	909	910
Increase in loss allowance recognised in profit or loss during the year	1 573	316
Receivables written off during the year as uncollectible	(378)	(293)
Unused amount reversed	(474)	(29)
Foreign currency translation differences	55	5
Closing loss allowance	1 685	909

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 2021

		GROUP 2021 £'000	GROUP 2020 £'000
12	**Trade and other receivables (continued)**		
12.5	The ageing of trade receivables are as follows:		
	Neither past due nor impaired	692	845
	30 days	686	408
	60 days	121	56
	Past due but not impaired	26	–
	30 days past due	170	368
	60 days past due	91	238
	90 days past due	526	100
	More than 90 days past due	1 623	711
	Impaired	(1 339)	(529)
	Total gross balance	2 596	2 197
12.6	**Credit quality of trade receivables (net of provisions)**		
	Trade receivables without external credit rating:		
	Group 1	389	203
	Group 2	2 089	1 973
	Group 3	118	21
		2 596	2 197

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 2021 £'000	GROUP 2020 £'000
12.7	The carrying amount of trade and other receivables are denominated in the following currencies:		
	Pound Sterling	1 328	1 062
	South African Rand	2 030	1 360
	United States Dollar	1 995	3 809
	Namibian Dollar	334	832
	Other – Swiss franc/Euro	606	51
		6 293	7 114
13	**Other assets**		
	Lease incentives	3 680	5 025
	Insurance proceeds receivable	1 329	4 800
	Prepayments	2 010	1 728
	Rental deposits	2 950	3 492
	Restricted cash – refer note 13.1	562	
	Loan arrangement fees and deferred finance charges	379	1 288
		10 910	16 333

13.1 **Restricted cash**

The cash pledged as security is to Nedbank Limited, and relates to two years rental receivable from the tenants of DeTijger Business Park and Wilgeheuwel, which has been placed in a fixed, long term call account which is not accessible for a period of two years.

		GROUP 2021 £'000	GROUP 2020 £'000
13.2	**Analysis of total other assets**		
	Non-current assets	7 192	8 896
	Current assets	3 718	7 437
		10 910	16 333
13.3	The carrying amount of other current assets are denominated in the following currencies:		
	Pound Sterling	9 252	15 273
	South African Rand	1 569	988
	United States Dollar	46	31
	Namibian Dollar	43	41
		10 910	16 333

COMPANY 2020 R'000	COMPANY 2021 R'000			GROUP 2021 £'000	GROUP 2020 £'000
		14	**Cash and cash equivalents**		
		14.1	Consisting of		
544	3 615		Cash at bank and on hand	18 076	16 469
			Short term bank deposits	7 324	6 413
			Cash as security for borrowings	8	613
544	3 615			25 408	23 495
			Cash and cash equivalents include the following for the purposes of the statement of cash flows:		
544	3 615		Cash and cash equivalents	25 408	23 495
—	—		Bank overdrafts		
544	3 615			25 408	23 495
		14.2	Carrying amount of cash and cash equivalents are denominated in the following currencies:		
2	2		Pound Sterling	11 481	10 937
298	3 307		South African Rand	8 571	8 557
			United States Dollar	3 553	3 420
			Namibian Dollar	241	212
			Zambian Kwacha	382	314
244	305		Other (Euro/Swiss Franc)	1 180	55
544	3 615			25 408	23 495
		15	**Ordinary share capital**		
		15.1	Authorised		
	—		310 000 000 (2020: 310 000 000) ordinary shares of no par value	—	
		15.2	Issued:		
3 057 710	2 900 902		261 346 570 (2020: 261 346 570) ordinary shares of no par value	209 840	217 803
			Share premium		
3 057 710	2 900 902			209 840	217 803
		15.3	Reconciliation of number of shares issued		
253 220 966	261 346 570		Balance at beginning of the year	261 346 570	253 220 966
(76 061)			Share buy-back: Odd Lot Offer and Specific Offer		(76 061)
8 201 665			New issue – dividend reinvestment (DRIP)		8 201 665
261 346 570	261 346 570		Balance at end of the year	261 346 570	261 346 570

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

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

COMPANY 2020 R'000	COMPANY 2021 R'000			GROUP 2021 £'000	GROUP 2020 £'000
		16	**Other equity and reserves**		
		16.1	**Treasury shares**		
			Opening balance	2 105	1 402
			Repurchased during the year	564	703
			Closing balance	2 669	2 105
			The company acquired 1 410 737 (2020: 1 158 962) 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 4 366 590 own shares. The total amount paid to acquire the shares was £0.56 million (R12 million) and has been deducted from shareholders's equity.		
		16.2	**Non-distributable reserves**	(26 702)	(17 610)
			Foreign currency translation reserve	(27 296)	(18 047)
			Cash flow hedging reserve – refer note 16.4	(159)	(234)
			Revaluation reserve	634	634
			Share based payment reserve	119	37
		16.3	**Distributable reserve**		
(141 177)	(152 893)		(Accumulated loss)/retained earnings	42 111	82 474
(141 177)	(152 893)			15 409	64 864
			During the year dividends of £7 498 353 (2020: £7 432 362) were declared and paid out of share premium as approved by the Board of directors. The Rand equivalent of these declarations were R156 807 942 (2020: R139 229 698).		
		16.4	**Cash flow hedging reserve**		
			Balance at beginning of the year	(234)	77
			Other comprehensive income for the year	75	(311)
				(159)	(234)

17 Non-controlling interest

Name of entity	Place of business	Ownership interest held by non-controlling interest 2021	2020	GROUP 2021 £'000	GROUP 2020 £'000
The Boutique Workplace Company Ltd	United Kingdom	10.0%	10.0%	(77)	43
Collins Property Projects (Pty) Ltd	South Africa	25.7%	25.7%	34 431	41 391
Dimopoint (Pty) Ltd	South Africa	30.0%	30.0%	11 512	11 021
Applemint 24 (Pty) Ltd	South Africa	31.1%	0.0%	320	392
Atterbury Matola Mauritius Limited	Mozambique	25.0%	25.0%	228	386
TC Mozambique Properties Ltd	Mozambique	25.0%	25.0%	(662)	(658)
Atterbury Pemba Properties Limited	Mozambique	25.0%	25.0%	(1 220)	(1 098)
Other Tradehold Africa group subsidiaries	Mozambique	25.0%	25.0%	(35)	(8)
Other Collins South Africa group subsidiaries	South Africa	10% – 50%	10% – 50%	14	(66)
				44 511	51 403

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

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

	Collins Property Projects (Pty) Ltd		Dimopoint (Pty) Ltd		The Boutique Workplace Company Ltd	
Summarised balance sheet	**2021 £'000**	**2020 £'000**	**2021 £'000**	**2020 £'000**	**2021 £'000**	**2020 £'000**
Current						
Assets	21 997	16 258	6 025	5 722	10 928	4 640
Liabilities	(16 189)	(21 270)	(1 836)	(2 603)	(9 488)	(6 911)
Total current net assets	5 808	(5 012)	4 189	3 119	1 440	(2 271)
Non-current						
Assets	451 779	478 579	71 869	76 688	65 694	60 810
Liabilities	(314 984)	(303 858)	(44 095)	(47 661)	(67 535)	(58 110)
Total non-current net assets	136 796	174 721	27 774	29 027	(1 841)	2 700
Net assets	142 604	169 709	31 963	32 146	(401)	429
Summarised income statement						
Revenue	42 335	52 523	7 911	10 043	18 546	23 505
Profit/(loss) before taxation	(6 386)	23 958	1 382	3 965	(875)	(682)
Taxation	(1 971)	(6 211)	(173)	(1 879)	169	(38)
Other comprehensive income/(loss)	(68)	–		–		
Total comprehensive income/(loss)	(8 425)	17 747	1 208	2 086	(706)	(720)
Total comprehensive income/(loss) allocated to non-controlling interests	(1 796)	4 691	363	626	(71)	49
Distributions paid to non-controlling partners	(2 714)	(1 081)	–		–	
Summarised cash flows						
Net cash (used in)/generated from operating activities	4 332	10 576	2 453	2 324	5 214	1 125
Net cash (used in)/generated from investing activities	(3 791)	(3 318)	2 882	(404)	(207)	(1 208)
Net cash (used in)/generated from financing activities	1 351	(1 352)	(1 807)	(783)	(640)	1 240
Net increase in cash and cash equivalents	1 892	5 906	3 528	1 137	4 367	1 157
Cash and cash equivalents at beginning of the year	7 913	2 165	2 034	968	2 968	1 811
Effect of changes in exchange rate	(347)	(158)	(89)	(71)	–	–
Cash and cash equivalents at end of the year	9 458	7 913	5 473	2 034	7 335	2 968

The amounts shown above are before inter-company eliminations.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

COMPANY				GROUP	
2020 R'000	2021 R'000			2021 £'000	2020 £'000
		18	**Preference share liability**		
		18.1	Authorised		
			131 750 000 (2020: 131 750 000) non-convertible, non-participating, non-transferable redeemable preference shares of no par value		
			65 000 000 (2020: 65 000 000) cumulative, redeemable "A" preference shares of no par value		
			40 000 000 (2020: 40 000 000) "B" unspecified preference shares of no par value		
		18.2	Issued		
1 083	1 082		108 243 720 (2020: 108 243 720) non-convertible, non-participating, non-transferable redeemable preference shares of no par value – Titan Global Investments (Pty) Ltd. – refer note 18.3	52	55
1 110 855	1 039 017		1 028 454 (2020: 1 096 204) cumulative redeemable "B" preference shares of R1 000 each – issued to FirstRand Bank Ltd acting through its Rand Merchant Bank division – refer note 18.4 and 34.9.	49 574	55 435
1 111 938	1 040 099			49 626	55 490

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

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

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

COMPANY 2020 R'000	COMPANY 2021 R'000			GROUP 2021 £'000	GROUP 2020 £'000
		18.4	The 1 028 454 cumulative redeemable "B" preference shares were issued to FirstRand Bank Ltd acting through its Rand Merchant Bank division and listed on the JSE on 18 December 2018.		
			Dividends are calculated quarterly at a rate of 72% of 3 month ZAR JIBAR plus 3% and payable quarterly. Capital of approximately 1% of the subscription amount is likely to be redeemed semi-annually, with the remaining balance redeemable on 20 December 2021.		
1 130 065	1 110 855		Balance at beginning of the year	55 435	60 823
(20 428)	(67 749)		(Repaid)/drawn during the year	(3 178)	(1 096)
—	—		Foreign exchange movement	(2 492)	(4 358)
1 617	1 617		Deferred finance charges	76	87
89 037	67 014		Interest accrued	3 144	4 777
(89 436)	(72 720)		Interest paid	(3 411)	(4 798)
1 110 855	1 039 017		Balance at end of the year	49 574	55 435
22 696	1 039 017		Short term portion (due for redemption on 20 December 2021)	49 574	1 133

The group hedges the payables under this financial liability for currency and interest rate risk via a cross-currency swap which exchanges ZAR for GBP and ZAR JIBAR linked interest for GBP LIBOR linked interest. The derivative financial instrument is adjusted for fair value movements in the hedged risk – refer note 20.3.

The group is in breach of the group net asset value covenant, as well as further Moorgarth entity specific loan to value, interest cover ratio and vacancy ratio covenants measured at the reporting date (2020: complied with all covenants). The lender has waived all non-compliance, as well as extended the facility up to 30 June 2022 subsequent to the reporting date – refer notes 34.8 and 38.

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

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP	
		2021 £'000	2020 £'000
19	**Long-term borrowings**		
19.1	**Consisting of**		
	Financial liabilities at amortised cost – non-current portion	348 139	346 542

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.

		2021 £'000	2020 £'000
19.1.1	**HSBC loan (The Boutique Workplace Company Limited) – secured**		
	Balance at beginning of the year	6 681	5 464
	Drawn during the year	—	1 880
	Repaid during the year	(948)	(919)
	Interest	97	256
	Balance at end of the year	5 830	6 681

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

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

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

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

		2021 £'000	2020 £'000
19.1.2	**Canada Life**		
	Balance at beginning of the year	32 197	32 344
	Drawn during the year	—	362
	Repaid during the year	(1 697)	(1 697)
	Interest	211	1 188
	Balance at end of the year	30 711	32 197

On 19 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 utilised to refinance the borrowers' loans with HSBC.

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

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

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

	GROUP	
	2021 £'000	2020 £'000
19.1.3 Shandon Investments Ltd – Unsecured.		
Balance at beginning of the year	151	151
Repaid during the year	(5)	(6)
Interest	(6)	6
Balance at end of the year	140	151

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

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

The loan is an unsecured loan from a development partner.

	2021 £'000	2020 £'000
19.1.4 HSBC (Moorgarth Living Ltd) – secured		
Balance at beginning of the year	9 779	9 744
Drawn during the year	–	
Repaid during the year	(323)	(301)
Interest	188	336
Balance at end of the year	9 644	9 779

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

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

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

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

	2021 £'000	2020 £'000
19.1.5 HSBC (Moorgarth Euston Ltd)		
Balance at beginning of the year	11 679	8 582
Drawn during the year	–	11 640
Repaid during the year	(345)	(8 853)
Interest	218	310
Balance at end of the year	11 552	11 679

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

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

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

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP	
		2021 £'000	2020 £'000
19	**Long-term borrowings (continued)**		
19.1	Consisting of (continued)		
19.1.6	**UK Government Bounce Back Loan Scheme /HSBC**		
	Drawn during the year	350	
	Repaid during the year	–	
	Interest	–	
	Balance at end of the year	350	

During the year the group entered into a 6 year loan facility of £350 000 with HSBC, for purposes of UK government backed Covid-19 lending support.

Interest is calculated daily at an annual rate of 2.5% and payable monthly in years 2 to 6, and capital is repayable in 2026.

The loan is unsecured.

		2021 £'000	2020 £'000
19.1.7	**Standard Bank – secured**		
	Balance at beginning of the year	4 818	4 974
	Repaid during the year	(599)	(720)
	Interest	288	399
	Foreign currency translation differences	(461)	165
	Balance at end of the year	4 046	4 818

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

The loan is secured by a corporate guarantee of USD 8.25 million provided by Tradegro Holdings (Pty) Limited.

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

		2021 £'000	2020 £'000
19.1.8	**RMB (First National Bank South Africa) – secured**		
	Balance at beginning of the year	3 811	4 314
	Repaid during the year	(617)	(988)
	Interest	308	342
	Foreign currency translation differences	(369)	143
	Balance at end of the year	3 133	3 811

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

Interest is calculated daily at an annual fixed rate of 7.756847% LIBO1 NACM on USD 5.5 million and an annual fixed rate of 8.226% LIBO1 NACM on the balance and payable monthly, with the final outstanding capital amount of USD 3.57 million to be settled at the end of the 5 year term, in September 2021.

Terms are currently being agreed with RMB to extend this facility for a further 4 year term. As agreements have not yet been signed for the refinance, the loan has been classified as current.

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

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

		GROUP	
		2021 £'000	2020 £'000
19.1.9	**Nedbank South Africa – secured**		
	Balance at beginning of the year	16 029	18 288
	Repaid during the year	(2 090)	(2 547)
	Interest	1 079	1 742
	Foreign currency translation differences	(685)	(1 454)
	Balance at end of the year	14 333	16 029

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

Capital of N$ 42.5 million is payable within 12 months and the remaining balance in similar annual instalments, with a final repayment date of 13 April 2026.

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

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

		2021 £'000	2020 £'000
19.1.10	**Investec Bank Ltd – secured**		
	Balance at beginning of the year	5 704	5 679
	Drawn during the year	–	436
	Repaid during the year	(887)	(540)
	Interest	359	583
	Foreign currency translation differences	(244)	(454)
	Balance at end of the year	4 932	5 704

Interest is calculated daily at an annual rate of South African Prime and is payable monthly. The repayment date was scheduled for 10 March 2021, but on 28 April 2021 the loan was extended for a further 5 year term, therefore the loan has been classified as current.

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

		2021 £'000	2020 £'000
19.1.11	**Nedbank South Africa**		
	Balance at beginning of the year	206 102	221 100
	Acquired through change in control		1 599
	Drawn during the year	86 851	30 735
	Repaid during the year	(115 232)	(53 823)
	Interest	18 396	24 288
	Foreign currency translation differences	(8 732)	(17 797)
	Balance at end of the year	187 385	206 102

Interest is calculated monthly across multiple facilities at the following variable rates (i) South African prime rate less 0.75% to plus 3% (ii) South African 3-month JIBAR plus 2.17% to plus 2.20%.In addition certain facilities are at fixed rates ranging from 7.68% to 11.79%. All interest is payable monthly.

Capital of ZAR125.7 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment dates ranging from 2022 to 2030.

The liability is wholly secured by:
- the investment properties within South Africa; and
- execution of limited joint and several suretyships and guarantees from Tradegro Holdings (Pty) Ltd.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

	GROUP	
	2021 £'000	2020 £'000
19 Long-term borrowings (continued)		
19.1 Consisting of (continued)		
19.1.12 RMB (First National Bank South Africa) preference shares		
Drawn during the year	17 033	
Repaid during the year	(342)	
Interest	520	
Foreign currency translation differences	9	
Balance at end of the year	17 220	

Interest is calculated at South African 3-month JIBAR plus 1.97% and paid quarterly.

The capital is repayable in June 2023.

The liability is wholly secured by:
- existing registered bond over property and cession of lease agreement, insurance and related rights over the property.

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

	GROUP	
	2021 £'000	2020 £'000
19.1.13 Investec Bank Limited South Africa		
Balance at beginning of the year	35 754	69 219
Drawn during the year	46 255	6 893
Repaid during the year	(27 073)	(39 732)
Interest	4 244	4 746
Foreign currency translation differences	(1 497)	(5 372)
Balance at end of the year	57 683	35 754

Interest is calculated monthly across multiple facilities at variable rates of South African prime rate less 0.5%, and at fixed rates of 6.98% to 10.40%. All interest is payable monthly.

Capital of ZAR27.3 million is payable within 12 months and the remaining balance in similar annual instalments, with the final repayment dates ranging from 2022 to 2027.

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

	GROUP 2021 £'000	GROUP 2020 £'000
19.1.14 Sanlam South Africa		
Balance at beginning of the year	2 473	3 003
Repaid during the year	(580)	(559)
Interest	204	267
Foreign currency translation differences	(105)	(238)
Balance at end of the year	1 992	2 473

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

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

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

	2021 £'000	2020 £'000
19.1.15 Absa Bank South Africa		
Balance at beginning of the year	27	37
Repaid during the year	(9)	(10)
Interest	1	3
Foreign currency translation differences	(1)	(3)
Balance at end of the year	18	27

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 in April 2023.

	2021 £'000	2020 £'000
19.1.16 Rand Merchant Bank South Africa		
Balance at beginning of the year	19 989	19 215
Drawn during the year	2 795	2 725
Repaid during the year	(20 191)	(2 525)
Interest	894	2 122
Foreign currency translation differences	(862)	(1 548)
Balance at end of the year	2 625	19 989

Interest is calculated at rates varying from a monthly variable rate of South African prime to a fixed rate of 9.99%, and all interest is payable monthly.

The capital is repayable in March 2025.

The loan is wholly secured by:
- investment property within South Africa, and
- execution of limited joint and several suretyships and subordination of loans from Tradegro Holdings (Pty) Ltd, in favour of Rand Merchant Bank.

The entity has complied with the financial covenants of its borrowing facilities during the 2021 and 2020 reporting period.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP	
		2021 £'000	2020 £'000
19	**Long-term borrowings (continued)**		
19.1	Consisting of (continued)		
19.1.17	**Raiffeisen-Landesbank Oberösterreich AG (Austria)**		
	Acquisition on 26 February 2021	9 434	
	Interest		
	Balance at end of the year	9 434	

The borrowing was acquired as part of the acquisition on 26 February 2021 of a retail property portfolio located in Austria comprising 6 separate properties each with single tenanted long dated leases.

Interest is calculated at the following rates: variable of 3-month EURIBOR plus 2.20% per annum, adjusted quarterly and fixed of 3.20% per annum.

Interest and capital are payable quarterly, with a final repayment date of 31 December 2030.

The liability is wholly secured by investment property within Austria

		2021 £'000	2020 £'000
19.1.18	**Salzburger Landes-Hypothekenbank AG (Austria)**		
	Acquisition on 26 February 2021	2 867	
	Interest		
	Balance at end of the year	2 867	

The borrowing was acquired as part of the acquisition on 26 February 2021 of a retail property portfolio located in Austria comprising 6 separate properties each with single tenanted long dated leases.

Interest is calculated at the following rates: variable of 6-month EURIBOR plus 2.25% per annum, adjusted bi-annually and fixed of 3.25% per annum.

Interest and capital are payable quarterly, with a final repayment date of 28 February 2031.

The liability is wholly secured by investment property within Austria

		2021 £'000	2020 £'000
19.1.19	**Waldviertler Sparkasse Bank AG (Austria)**		
	Acquisition on 26 February 2021	1 470	
	Interest		
	Balance at end of the year	1 470	

The borrowing was acquired as part of the acquisition on 26 February 2021, of a retail property portfolio located in Austria comprising 6 separate properties each with single tenanted long dated leases.

Interest is calculated at the following rates: variable of 3-month EURIBOR plus 2.00% per annum, adjusted quarterly and fixed of 3.00% per annum.

Interest and capital are payable quarterly, with a final repayment date of 1 August 2031

The liability is wholly secured by investment property within Austria

	GROUP	
	2021 £'000	2020 £'000
19.1.20 Supernova Invest GmbH		
Drawn during the year	4 418	
Interest		
Balance at end of the year	4 418	

The loan comprises financial assistance from the seller for the acquisition on 26 February 2021 of a retail property portfolio located in Austria comprising 6 separate properties each with single tenanted long dated leases.

Interest is calculated at 3 month EURIBOR rate plus 2.5% per annum, with a minimum interest rate of 2.5% per annum and payable quarterly.

Capital is repayable as follows: Facility A – repay in equal instalments of EUR 146 625 on last day of each calendar quarter starting on 30 June 2021. Facility B – repay in equal instalments of EUR 25 875 on last day of each calendar quarter starting on 30 June 2021. Facility C & D – repaid on 28 February 2026 in full. Any outstanding amounts repayable on 28 February 2026.

The liability is wholly secured by:
Rights cession of shares in issue and any future share issues by Collins Aus Holdings GMBH and Collins Aus Investments GMBH in favour of the lender.

	2021 £'000	2020 £'000
19.2 The group has access to the following undrawn borrowing facilities at the end of the reporting period:		
Expiring beyond one year:		
Canada Life	2 508	2 515
Investec Bank Ltd		14 422
RMB (First National Bank South Africa)	1 625	
	4 133	16 937
19.3 Analysis of long-term borrowings:		
Non-current	348 139	346 542
Current – refer note 23.1	21 644	7 031
	369 783	353 573

20 Derivative financial instruments

	2021 £'000	2020 £'000
20.1 Consisting of		
Designated as a cash flow hedge – refer note 20.2	347	374
Fair value through profit and loss – held for trading – refer note 20.3	7 731	5 900
Fair value through profit and loss – held for trading – refer note 20.4		(12 928)
	8 078	(6 654)

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.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP	
		2021 £'000	2020 £'000
20	**Derivative financial instruments (continued)**		
20.2	**HSBC – secured**		
	Market to market value of interest rate swap	347	374
	Balance at beginning of the year	374	60
	Mark-to-market adjustments – recognised through other comprehensive income	(27)	314
	Balance at end of the year	347	374

On 21 January 2019 Moorgarth Living Ltd entered into an interest rate swap, whereby the interest rate on a loan amount of £5 300 000 was fixed. HSBC performed a mark to market valuation at 28 February 2021 which showed a potential loss of £156 931. The swap matures on 20 October 2023.

On 23 April 2019 Moorgarth Euston Ltd entered into an interest rate swap, whereby the interest rate on a loan amount of £5 700 000 was fixed. HSBC performed a mark to market valuation at 28 February 2021 which showed a potential loss of £190 380. The swap matures on 22 March 2024.

The group enters into interest rate swaps that have similar critical terms as the hedged item, such as reference rate, reset dates, payment dates, maturities and notional amount. The group does not hedge 100% of its loans, therefore the hedged item is identified as a proportion of the outstanding loans up to the notional amount of the swaps. As all critical terms matched during the year, the economic relationship was 100% effective.
Hedge ineffectiveness for interest rate swaps may occur due to:
- the credit value/debit value adjustment on the interest rate swaps which is not matched by the loan, and
- differences in critical terms between the interest rate swaps and loans.

There was no ineffectiveness during 2021 or 2020 in relation to the interest rate swaps.

		2021 £'000	2020 £'000
20.3	**Rand Merchant Bank GBP ZAR cross currency interest rate swap**		
	Fair value at end of the year – refer note 34.9	7 731	5 900
	Balance at beginning of the year	5 900	2 236
	Interest	(1 979)	(3 014)
	Settled in cash during the year	1 824	3 219
	Fair value adjustment through profit and loss	1 986	3 459
	Balance at end of the year	7 731	5 900

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 £7 730 925 on the swap, resulting from the aggregate of the ZAR depreciation against the £ since the inception date (with the profit reflected in the preference share liability), and the margin earned by Rand Merchant Bank on the derivative.

The swap is unsecured and matures on 20 December 2021, the same date as the hedged B preference share liability, and has therefore been disclosed as current.

The lender has provided credit approved terms to extend the B preference share facility terms by a three year period, with the legal agreements expected to be finalised in August 2021. Upon extension of the B preference share facility, the holder intends to extend the derivative on similar terms as the existing derivative – refer note 18.4

		GROUP	
		2021 £'000	2020 £'000
20.4	**Nedbank/Rand Merchant Bank CPI hedge**		
	Fair value at end of the year	–	12 928
	Balance at beginning of the year	12 927	8 286
	Fair value adjustment through profit and loss	(1 155)	5 639
	Settlement of derivative – refer note 27	(10 729)	
	Disposal	(219)	
	Loss on disposal	(52)	
	Foreign currency translation differences	(772)	(998)
	Balance at end of the year	–	12 927

The Nedbank hedge which swapped the variable CPI linked annual lease escalations on the investment property lease with Nampak to a fixed escalation of 6.32% over the 15 year lease period was settled during the year as part of a composite debt restructure with Nedbank on the Collins group's Nampak property portfolio, implemented during December 2020. The proceeds from the settlement of £10.729 million were applied to simultaneously settle unwind costs on the existing Nampak portfolio fixed rate facility as well as to enter into a more favourable fixed rate facility with Nedbank. This will result in significant interest savings.

The settlement proceeds of £10.729 million have been disclosed as a finance cost – refer note 27.

The Rand Merchant Bank CPI hedge which hedged variable CPI linked annual lease escalations on investment property leases against a fixed bond escalation of 7.41% was settled during the year resulting in a loss on disposal of £52 000.

		2021 £'000	2020 £'000
20.5	**Analysis of derivative financial instruments:**		
	Non-current	348	(6 654)
	Current	7 731	
		8 078	(6 654)

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.

21 Deferred revenue

		2021 £'000	2020 £'000
21.1	**Consisting of**		
	Rent received in advance	6 500	6 683
21.2	**Movements in deferred revenue**		
	Opening balance	6 683	6 335
	Additions	6 478	6 685
	Transferred to profit or loss	(6 674)	(6 369)
	Foreign currency translation differences and forex losses	13	32
	Closing balance	6 500	6 683

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

COMPANY 2020 R'000	COMPANY 2021 R'000			GROUP 2021 £'000	GROUP 2020 £'000
		22	**Trade and other payables**		
			Trade payables	4 699	2 102
2 571	1 278		Other payables and accrued expenses	5 859	6 294
			Dilapidations provision	3 490	3 220
			Deposits held	2 759	2 878
			Lease guarantee liability	96	191
			Deferred income	1 149	1 276
			Social security and other taxes	1 724	1 280
2 571	1 278			19 776	17 241
			The carrying value amount is the amortised cost which approximates fair value.		
			The lease guarantee liability stems from an indemnity given to Instore Ltd as part of a sale and purchase agreement.		
		22.1	The carrying amount of trade and other payables are denominated in the following currencies:		
			Pound Sterling	11 689	6 280
1 507	1 278		South African Rand	3 178	6 969
			United States Dollar	3 204	3 509
			Namibian dollar	410	323
1 064			Other – Swiss franc/Euro/Zambian Kwacha	1 295	160
2 571	1 278			19 776	17 241
		23	**Short-term borrowings**		
		23.1	Consisting of		
			Short term portion of long-term loans – refer note 19.3	21 644	7 031
			Demashuwa Property Developers (Pty) Limited – refer note 23.2	1 315	1 608
			Nedbank Ltd – refer note 23.3	—	1 447
			Nedbank South Africa preference shares – refer note 23.4	—	8 149
			Springlea Limited – refer note 23.5	30	4 013
			Other – secured and unsecured	828	588
				23 817	22 836
		23.2	Demashuwa Property Developers (Pty) Limited		
			Balance at beginning of the year	1 608	1 925
			Interest	112	193
			Repaid during the year	(337)	(356)
			Foreign currency translation differences	(69)	(154)
			Balance at end of the year	1 314	1 608

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

The loan carries interest at the Namibian prime rate, is unsecured and has no terms of repayment.

		GROUP	
		2021 £'000	2020 £'000
23.3	**Nedbank Ltd – secured**		
	Balance at beginning of the year	1 447	760
	Interest	218	798
	Settled during the year	(1 578)	
	Foreign currency translation differences	(87)	(111)
	Balance at end of the year	–	1 447

The long term borrowings of Dimopoint (Pty) Ltd accrued additional interest charges due to the down grading of its tenant credit rating, repayable to Nedbank from the sale proceeds of properties owned by Dimopoint (Pty) Ltd.

		2021 £'000	2020 £'000
23.4	**Nedbank South Africa preference shares**		
	Balance at beginning of the year	8 149	–
	Reallocated from long term borrowings		8 149
	Interest	217	848
	Settled during the year	(8 012)	(788)
	Foreign currency translation differences	(354)	(60)
	Balance at end of the year	–	8 149

Comprises 9286 "A" and 7049 "B" cumulative, redeemable preference shares redeemed during the year.

The dividend rate was equal to 104% and 85% of the South African Prime rate for during the applicable period for preference shares "A" and "B" respectively.

		2021 £'000	2020 £'000
23.5	**Springlea Limited**		
	Balance at beginning of the year	4 013	–
	Drawn during the year		6 000
	Interest	50	121
	Repaid during the year	(4 033)	(2 108)
	Balance at end of the year	30	4 013

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

Interest is calculated daily at an annual rate of 6.15% + 1 month LIBOR and payable monthly.

The loan is unsecured.

24 Revenue

	2021 £'000	2020 £'000
Rental income		
Rental income – Industrial	36 284	49 864
Rental income – Retail	11 495	16 424
Rental income – Offices	8 645	4 616
Rental income – Leisure	735	902
Rental income – Residential	598	681
Boutique serviced office revenues	18 485	23 445
Total rental income	76 242	95 932
Property management	963	1 046
Deduct: rental income from group companies	(2 931)	(2 370)
Revenue from external customers	74 274	94 608

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

24 Revenue (continued)

Covid-19 impact – South Africa operations

The group applied strict protocols in relation to multi-let properties, advice to tenants relating to regulations and applied strong existing practices to monitor, assess and evaluation performance of contractual obligations.

The total rental remissions granted to tenants was £1.4 million, these remissions were granted to assist tenants whose operations were adversely impacted by the COVID-19 pandemic. The accounting treatment of the remissions was taken as a reduction against the contractual income raised as per the lease agreement which resulted in a lower rental income amount being disclosed, this was not a lease modification and reflected the assistance granted to tenants.

United Kingdom operations

Three lockdowns in the UK (March 20, November 20, January 21) have impacted retail, leisure, hospitality and F&B the most have created enormous uncertainty and fragility in an already challenged market. Footfall in our major cities has seen reductions of 85% and more, with the impact on trade being catastrophic for some, but conversely positive for others.

The business has seen a fall in revenue, almost entirely as a result of Covid-19, given the portfolio of properties has not changed. Reductions have been due to tenant failures and rent concessions granted to tenants who have been unable to trade.

The Covid-19 pandemic has forced many businesses and tenants of the group to temporarily close their businesses, especially in our retail properties. Rent concessions to the value of £340 000 have been granted to some tenants who have experienced difficulties in these difficult times. Where these concessions relate only to rent payments due in the period and do not represent variations to the remainder of the lease terms, those concessions have been recognised as a reduction against rental income over the period to which the concessions relate. If the concessions form part of a renewal or extension of an existing lease, the concession has been spread over the life of the new lease.

Namibia and rest of Africa operations

At 28 February 2021, rental remissions to the value of N$2 297 147 was granted across the portfolio. This was for the period April 2020 – May 2020. Rental remissions were considered at the request of tenants and varied from tenant to tenant. Whilst each request was considered individually, the main criteria was that before any consideration was given tenants had to be fully paid up at the point of request. Other considerations were tenants trading history as well as how tenants were affected by any lockdown regulations.

Mozambique had isolation restrictions in place and not a full lockdown. All tenants remained trading. On the BAT warehouse, the property is fully let by a single tenant and the rental is received a year in advance.

Zambia was in a partial lockdown and rental remissions of USD 9 706 was granted to tenants in the Feb 2021 year.

	2021			2020		
Timing of revenue recognition	**At a point in time**	**Over time**	**Total**	**At a point in time**	**Over time**	**Total**
Rental income		52 571	52 571		62 422	62 422
Rental income – straightline leases		2 254	2 254		7 695	7 695
Boutique serviced office revenues		18 485	18 485		23 445	23 445
Property management	964		964	1 046		1 046
	964	73 310	74 274	1 046	93 562	94 608

COMPANY				GROUP	
2020 R'000	2021 R'000			2021 £'000	2020 £'000
		25	**Other operating income**		
			Management fees received from associates	328	411
			Boutique rent concessions	145	
			Insurance proceeds	17	5 176
			Distribution received on financial assets	—	15
			Sundry income	703	2 403
—	—			1 193	8 005
		26	**Operating profit/(loss)**		
		26.1	**Determined after taking into account the following:**		
44	50		Employee benefits expenses	5 903	6 980
44	50		Salaries, wages and service benefits	5 897	6 975
			Retirement benefit contributions	6	5
			Net foreign exchange losses	(579)	71
3 860	2 417		Foreign exchange rate losses – realised	353	223
			Foreign exchange rate losses – unrealised	—	30
			Foreign exchange rate profits – unrealised	(932)	
			Foreign exchange rate profits – realised		(181)
1 584	1 694		Auditors' remuneration	351	355
1 344	1 465		Audit fees – for this year	340	343
240	229		– under provided in the previous year	11	13
4 071	4 178		Fees paid for outside services	571	693
2 163	1 729		Administrative	416	439
			Accounting fees	28	(3)
173	382		Secretarial	40	37
1 736	2 067		Management and director	87	220
			Net impairment losses on financial assets relating to:	9 587	2 115
			Loss allowance on trade receivables	937	259
			Loss allowance on other receivables	420	11
			Loss allowance on loans receivable		5
			Loss allowance on loans to associates	26	421
			Loss allowance on loans to joint venture	8 204	1 419
180	96		Operating leases – buildings	24	27
			Loss/(profit) on disposal of investment properties	817	1 419
			Profit on disposal and scrapping of property, plant and equipment	(4)	
389	11		Travel and office costs	322	624
			Advertising cost	167	309
			Repairs and maintenance	609	1 483
			Boutique operating costs	5 479	7 613
60	452		Professional and letting fees	843	821
			Legal and professional fees	632	772
			Unrecovered rates	1 768	1 899
			Unrecovered property costs	479	532
			Unrecovered service charge	2 363	3 153

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

26 Operating profit/(loss) (continued)

26.1 Determined after taking into account the following (continued)

Covid-19 impact

South Africa operations:

The only direct impact on operating costs has been lower travel and office costs and repairs and maintenance but increased information technology costs. With the lockdown regulations, less travelling was permitted and less repairs were allowed to be done except in the case of emergency, while conversely increased remote working and reliance on information technology costs were experienced.

United Kingdom operations:

Cost control measures brought in as a result of the pandemic have reduced operating costs. Staff costs have reduced through redundancies, non replacement of staff and via UK government 'furlough' scheme. Travel costs have reduced as more work has been conducted from home.

		GROUP 2021 £'000	GROUP 2020 £'000
26.2	Directors' and prescribed officers remuneration		
26.2.1	Non-executive directors	144	140
	Executive directors	855	1 020
	Prescribed officers	419	529
		1 418	1 689

		Consulting fees £'000	Director fees £'000	2021 Total £'000	2020 Total £'000
26.2.2	Non-executive directors				
	KR Collins	22	22	44	43
	LL Porter	—	18	18	17
	MJ Roberts	—	11	11	12
	HRW Troskie	—	27	27	26
	CH Wiese	—	44	44	42
		22	122	144	140

		Basic remuneration £'000	Variable remuneration £'000	2021 Total £'000	2020 Total £'000
26.2.3	Executive directors				
	FH Esterhuyse	140	—	140	247
	DA Harrop	80	10	90	113
	KL Nordier	229	63	292	279
	TA Vaughan	313	20	333	381
		762	93	855	1 020
	Prescribed officers				
	KA Searle	138	107	245	245
	D Coleman	125	49	174	70
		263	156	419	315

26.2.4 Basic remuneration for 2021 comprises the following:

Executive directors	Salary £'000	Pension scheme contributions £'000	Other £'000	Total £'000
FH Esterhuyse	118	13	9	140
DA Harrop	74	6		80
KL Nordier	219	6	4	229
TA Vaughan	304	9		313
	715	34	13	762
Prescribed officers				
KA Searle	123	14	1	138
D Coleman	111	13	1	125
	234	27	2	263

26.2.5 Variable remuneration for 2021 comprises bonuses and performance related payments.

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

FH Esterhuyse – 304 862 options
KL Nordier – 261 012 options
TA Vaughan – 243 164 options
KA Searle – 352 735 options
D Coleman – 161 076 options

Refer note 36.1

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

COMPANY			GROUP	
2020 R'000	2021 R'000		2021 £'000	2020 £'000
		27 Finance income and cost		
	—	Finance cost on short-term borrowings	560	2 459
		Finance cost on long-term borrowings	27 233	36 670
		Fixed interest breakage cost and refinance fees on long term borrowings – refer note 20.4	10 729	
89 037	67 014	Dividends on preference shares classified as debt	3 144	4 777
		Interest expense on lease liabilities	1 973	2 208
1 617	1 617	Deferred finance charge	834	922
	643	Other finance cost	12	211
		Finance cost expensed	44 485	47 247
		Amount capitalised	597	825
90 654	69 274	Total finance cost	45 082	48 072
(110)	(80)	Interest income on short-term bank deposits	(437)	(411)
		Interest received from UReit	(682)	(1 246)
(89 037)	(67 015)	Interest received from related parties		(78)
		Interest received from associates	(49)	(208)
		Interest received from joint ventures	(1 252)	(1 358)
		Finance charge received on derivative	(2 230)	(3 691)
(1 449)		Other finance income	(660)	(671)
(90 596)	(67 095)	Total finance income	(5 310)	(7 663)
58	2 179	Finance cost – net	39 772	40 409

The capitalised long term borrowings costs of £597 000 (2020: £825 000) have been capitalised to investment property.

28 Taxation		
28.1 Classification:		
South African normal taxation	2 546	6 280
Foreign taxation	(1 713)	962
	833	7 242
28.2 Consisting of:		
Current taxation on profits for the year	1 500	1 142
Under/(over) provision in prior periods	(268)	(487)
Total current tax expense	1 232	655
Deferred income tax – refer note 9	(399)	6 587
(Increase)/decrease in deferred tax assets	2 046	1 197
Increase/(decrease) in deferred tax liabilities	(2 445)	5 390
	833	7 242

COMPANY				GROUP			
2020 %	2021 %			2021 %	2021 £'000	2020 %	2020 £'000
		28.3	**Reconciliation of tax payable at normal rate to income tax expense -**				
28	28		South African normal tax rate/tax expense	28.0%	(11 509)	28.0%	4 873
(28)	(28)		Tax effect of amounts which are not deductible/(taxable) in calculating taxable income	(30.0%)	12 342	13.6%	2 369
			Fair value adjustment on investment property tax rate differential	(8.9%)	3 653	11.5%	1 995
			Utilisation of tax losses not previously recognised to reduce deferred tax expense	(1.5%)	603	14.2%	2 469
			Utilisation of tax losses not previously recognised to reduce current tax expense	0.0%	4	0.0%	6
			Non-deductible expenses – loss on disposal of investment property	(1.3%)	548	5.9%	1 028
			Non-deductible expenses – fair value of shares/ investments	(9.3%)	3 808	0.0%	
(35)	(35)		Other non-deductible expenses	0.0%	11	5.0%	876
			Exempt income – lease smoothing	0.1%	(46)	(1.4%)	(245)
			Exempt income – dividends received	8.0%	(3 286)	(14.1%)	(2 447)
			Exempt income – fair value of hedge/investments	0.0%		(10.6%)	(1 845)
			Exempt income – earnings from joint ventures/ associates	(5.6%)	2 322	2.8%	486
			Exempt income – Covid-19 rent concessions	0.4%	(145)		
			Other exempt income	0.7%	(306)	(0.9%)	(152)
			Foreign wealth tax/ withholding tax	(0.7%)	290	1.1%	200
7	7		Foreign tax rate differential/ change in tax rate	(12.6%)	5 198	(0.4%)	(68)
			Adjustments for current tax of prior periods	0.7%	(312)	0.4%	66
0	-0		Effective tax rate/ Income tax expense	(2.0%)	833	41.6%	7 242
		28.4	**Tax losses**				
			Unused tax losses for which no deferred tax asset has been recognised		4 270		1 490
			Potential tax benefit at 28.0%		1 196		417

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

		GROUP			
		2021 £'000	2021 £'000	2020 £'000	2020 £'000
29	**Earnings per share** Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the company and held as treasury shares.				
29.1	**Profit attributable to ordinary equity holders**		(39 709)		5 985
29.1.1	**Weighted average number of ordinary shares in issue ('000)**		257 701		256 344
	The weighted average number of ordinary shares in issue in the current year has been adjusted to take into account the 1 410 737 treasury shares acquired during the year. The weighted average effect of the adjustments on the number of shares in issue is 721 327.				
	Basic (loss)/earnings per share (pence) attributable to ordinary equity holders		(15.4)		2.3
29.1.2	**Diluted number of ordinary shares ('000)**		260 658		257 881
	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)		257 701		256 344
	Share options granted under employee share option scheme allocation – refer note 36.1		2 957		1 537
			260 658		257 881
	Diluted earnings per share (pence) attributable to ordinary equity holders		(15.2)		2.3
29.2	**Headline earnings:**				
	Basic headline (loss)/earnings per share (pence)		(1.9)		9.5
	Diluted headline (loss)/earnings per share (pence)		(1.9)		9.4
		Gross	**Net**	**Gross**	**Net**
	Based on headline profit of		(4 963)		24 314
	Profit attributable to equity holders of the company		(39 709)		5 985
	Net loss from fair value adjustment on investment property	38 662	30 020	18 522	14 426
	Fair value adjustments from equity-accounted investments		3 612		2 004
	Loss on disposal of investment properties	817	1 056	1 419	1 740
	Loss on disposal of subsidiaries				100
	Loss on disposal of financial assets		62		
	Impairment of intangible assets				59
	Gain on disposal of property, plant and equipment		(4)		
	and the weighted average number of ordinary shares in issue of ('000)		257 701		256 344
	and the diluted number of ordinary shares ('000)		260 658		257 881

COMPANY				GROUP	
2020 R'000	2021 R'000			2021 £'000	2020 £'000
		30	**Cash flow information**		
		30.1	Non-cash items		
			Depreciation charge on property, plant and equipment	2 350	2 881
			Amortisation	–	59
			Insurance proceeds St Catherines Perth fire	–	(4 800)
			Loss on disposal of investment properties	817	1 419
			Gain on disposal of property, plant and equipment	(4)	
			Fair value adjustment on right-of-use assets	5 604	5 801
			Fair value adjustment on investment properties	33 058	12 721
			Fair value loss/(gain) on financial assets at fair value through profit or loss	2 171	(6 645)
			Straight line lease adjustment	(2 212)	(7 607)
			Impairment losses on financial assets	9 587	2 116
			Unrealised foreign exchange gains	(931)	
			Provision for share-based payment expense	82	36
	–		Loss on disposal of financial assets	62	99
	–			50 584	6 080
		30.2	Changes in working capital		
–	–		Trade and other receivables	7 323	164
(2 630)	(1 294)		Trade and other payables	2 935	(2 841)
(2 630)	(1 294)			10 258	(2 677)
		30.3	Taxation refund/(paid)		
			Taxation per profit or loss	(833)	(7 242)
			Taxation payable at beginning of year	(1 136)	(250)
			Taxation (receivable)/payable at end of year	1 050	1 136
			Change in deferred taxation	(399)	6 587
				(1 318)	231
		30.4	Proceeds from ordinary share issues		
100 801			Ordinary share issues during the year – dividend reinvestment options exercised	–	5 526
100 801	–			–	5 526

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

30 Cash flow information (continued)

30.5 Reconciliation of liabilities arising from financing activities

GROUP

For the year ending 28 February 2021	Opening	Cash flows: Drawn/ issued during the year	Cash flows: Capital repaid during the year	Cash flows: Interest repaid/ (received) during the year	Non-cash changes: Acquired through change in control and other non-cash changes	Non-cash changes: Interest charged	Non-cash changes: Foreign currency translation differences/ deferred finance charges/ other non-cash changes	Closing
Long-term borrowings (including short term portion)	353 572	153 284	(142 627)	(28 313)	18 190	28 313	(12 637)	369 782
Short-term borrowings (excluding short term portion of long term borrowings)	15 805	571	(12 217)	(611)	134	611	(2 119)	2 174
Preference share liability	55 490	—	(3 178)	(3 411)	—	3 144	(2 419)	49 626
Lease liabilities	48 954		(5 464)	(1 973)	—	1 973	(2 915)	40 575
Derivative financial instruments held to hedge liabilities	5 900		(415)	2 239		(1 979)	1 986	7 731
	479 721	153 855	(163 901)	(32 069)	18 324	32 062	(18 104)	469 888
Finance charges paid (loan arrangement fees)				(11)				
Interest paid per cash flow statement				(32 080)				

For the year ending 29 February 2020	Opening	Cash flows: Drawn during the year	Cash flows: Capital repaid during the year	Cash flows: Interest repaid during the year	Non-cash changes: Acquired through change in control and other non-cash changes	Non-cash changes: Interest charged	Non-cash changes: Foreign currency translation differences/ deferred finance charges/ other non-cash changes	Closing
Long-term borrowings (including short term portion)	410 939	54 670	(76 668)	(36 588)	1 599	36 588	(36 968)	353 572
Short-term borrowings (excluding short term portion of long term borrowings)	17 283	6 412	(15 703)	(2 580)	8 149	2 580	(336)	15 805
Preference share liability	60 878	1	(1 096)	(4 799)	—	4 777	(4 272)	55 490
Lease liabilities			(5 804)	(2 208)	51 487	2 208	3 271	48 954
Derivative financial instruments held to hedge liabilities	2 236			3 219		(3 014)	3 459	5 900
	491 336	61 083	(99 271)	(42 956)	61 235	43 139	(34 846)	479 721
Finance charges paid (loan arrangement fees)				(211)				
Interest paid per cash flow statement				(43 167)				

	GROUP	
	2021 £'000	2020 £'000
31 Commitments		
31.1 Capital commitments		
Significant capital expenditure contracted for at the year end but not recognised as liabilities is as follows:		
South Africa		
Phase 1 of the Mzuri – development by Imbali Props 21 (Pty) Ltd to be funded by Investec Ltd	—	1 228
Inanda Spar – development by Colkru Investments (Pty) Ltd to be funded by Rand Merchant Bank Ltd.	1 446	2 215
Spar West St – development by Colkru Investments (Pty) Ltd to be funded by Investec Ltd.	599	—
Nongoma Spar Phase 2 – development by Colkru Investments (Pty) Ltd to be funded by Rand Merchant Bank Ltd.	305	—
31.2 Repairs and maintenance investment property		
South Africa		
Sprinkler replacement program – requirement of the insurers in order to maintain the insurance cover in place over various properties and will be done over the course of the next financial period.	379	1 797

31.3 Non-cancellable operating leases – refer note 3.1.2

32 Contingent liabilities

South Africa

Imbali Props 21 (Pty) Ltd – during the course of the current financial period the South African Revenue Service ("SARS"), the local tax authority which has jurisdiction over the subsidiary, has commenced a detailed review of the subsidiary's tax affairs relating to the 2016 to 2019 years of assessment. An Audit Findings Letter was issued by SARS to Imbali which is dated 23 February 2021, however, due to timing of the date of the letter to financial year end and the audit requiring substantial and detailed responses which SARS will need to both verify and accept, the impact of the Findings has only been partially raised in the taxation amounts, with the balance of the Findings being under dispute and regarded as contingent on the finalisation of the tax audit. The exact timing and amount of the finalisation of the tax audit is not possible to accurately determine at financial year end. To mitigate the impact of the audit, Imbali has actively engaged with relevant tax professionals and where necessary sought legal advice.

Acquisition of Austrian investment and property companies – on the 26th February 2021 (Acquisition Date), the group acquired full control of a portfolio of Austrian properties through acquisition of the respective property holding companies and acquired 2 new investment holding companies. In terms of the sale agreement, the adjustment account between sellers and the group will be concluded once the underlying tenant lease turnover figures are finalised, which is only anticipated after 31 May 2021. As a result, there is an anticipated but unquantified amount which will need to be adjusted for on the acquisition date accounts for the finalisation of accounts.

33 Borrowing powers

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

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

Borrowings are disclosed in notes 18.4, 19 and 23

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

The group has undrawn borrowings of £4.1 million available.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

34 Financial risk management

34.1 Financial risk factors

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

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

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

34.2 Market risk – Foreign currency exchange risk

The group operates internationally in the United Kingdom, South Africa, Mozambique, Namibia, Zambia and recently acquired operations in Austria, 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 and Zambian Kwacha.

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

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

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

	GROUP	
	2021 £'000	2020 £'000
34.2.1 Sensitivity analysis		
The sensitivity analysis below details the group's sensitivity to a change in exchange rate between Pound Sterling and South African Rand, and Pound Sterling and US Dollar. These percentages represent management's assessment of the possible changes in the foreign exchange rates at the respective year-ends. No other currency would have a meaningful effect.		
If ZAR depreciated 15% against £, profit for the year would increase/(decrease) by	1 258	(2 155)
If US$ depreciated 15% against £, profit for the year would increase/(decrease) by	(203)	(288)

34.2.2 Exchange rates

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

	GROUP			
	2021 Average rate	2021 Closing rate	2020 Average rate	2020 Closing rate
South African Rand	ZAR21.3179	ZAR20.9588	ZAR18.6376	ZAR20.0388
Swiss Franc	Fr. 1.1970	Fr. 1.2818	Fr. 1.2646	Fr. 1.2441
United States Dollar	$1.2948	$1.4148	$1.2773	$1.2866
Euro	€ 1.1163	€ 1.1573	€ 1.1475	€ 1.1721
Namibian Dollar	N$ 21.3179	N$ 20.9588	N$ 18.6376	N$ 20.0388
Zambian Kwacha	ZMW 25.1892	ZMW 30.8023	ZMW 17.0587	ZMW 19.3710
Mozambique New Metical	MZN 92.4863	MZN 106.0924	MZN 80.1790	MZN 83.9029

34.2.3 Uncovered foreign assets and liabilities

The group had the following uncovered foreign assets and liabilities:

	GROUP			
	2021 Foreign currency '000	2021 Pound equivalent £'000	2020 Foreign currency '000	2020 Pound equivalent £'000
Assets				
South African Rand	9 266 890	442 148	9 908 089	482 255
Namibian Dollar	924 858	44 127	947 102	48 758
United States Dollar	36 876	26 064	39 969	29 989
Zambian Kwacha	92 004	2 987	62 225	3 212
Euro	35 265	30 472	16	13
Swiss Franc	35	27	50	40
Liabilities				
South African Rand	6 586 983	314 282	6 483 767	323 182
Namibian Dollar	495 219	23 628	528 315	27 057
United States Dollar	16 759	11 845	17 787	11 953
Zambian Kwacha	1 567	51	1 140	59
Euro	17 689	15 284	64	55
Swiss Franc	161	125	457	368

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

34 Financial risk management (continued)

34.3 Market risk – Interest rate risk

The group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the group to cash flow interest rate risk. Borrowings issued at fixed rates expose the group to fair value interest rate risk. During 2021 and 2020, the group's borrowings at variable rate were denominated in South African Rand, UK pound, United States Dollar and Namibian Dollar.

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

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

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

Instruments used by the group – refer note 20

	GROUP	
	2021 £'000	2020 £'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	(3 362)	(3 621)
whilst a 100 basis point reduction in interest rates would have resulted in an increase in the net profit of the group of	3 362	3 621

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

Refer notes 19.1.1, 19.1.3, 19.1.4, 19.1.5 and 20.3

34.4 Market risk – Price risk

The group is exposed to equity securities price risk because of investments held by the group and classified as at fair value through profit or loss. No financial instruments or derivatives have been employed to hedge this risk. The group is not exposed to commodity price risk – refer note 10.2 for a sensitivity analysis.

34.5 Credit risk

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

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

34.5.1 Trade and other receivables

Risk management

The letting operations are concentrated throughout the United Kingdom, with the relevant properties held in Pound Sterling, and throughout South Africa, with the relevant properties held in South African Rand. The group also has letting operations in Mozambique, Zambia and Namibia, as well as with effect from 26 February 2021, in Austria.

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.

COMPANY 2020 R'million	COMPANY 2021 R'million		GROUP 2021 £'000	GROUP 2020 £'000
		34.5.2 Cash and cash equivalents		
		Cash balances are held with major banking groups with high credit ratings. The group's treasury policy is designed to limit exposure to any one institution.		
		At year-end cash and cash equivalents, neither past due nor impaired has been invested as follows:		
		Bank rating (as per Fitch Ratings)		
—	—	F1 +	15 684	14 910
—	—	F2		—
0.5	3.6	F3	9 724	8 585
0.5	3.6	Total	25 408	23 495
		The maximum amount of credit risk that the group is exposed to is and has been calculated as follows:	55 229	81 449
		Trade and other receivables	6 293	16 010
		Loans receivable	8 166	19 991
3 992	3 756	Loans to subsidiaries	—	—
		Loans to associates	5 468	5 578
		Loans to joint ventures	9 894	16 375
0.5	3.6	Cash and cash equivalents	25 408	23 495

34.5.3 Impairment

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

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

34.6 Liquidity risk

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

South Africa operations

The financial covenants are still in place and have not been in breach due to the impact of Covid-19. Management took the decision before the end of the previous financial year end to settle the more expensive debt, which has impacted favourably on the statement of financial position. The various payment holidays, interest roll ups and assistance with debt obligations from lenders have all been applied and subsequent to reporting date the various loans utilised have began to be serviced with little impact on existing cashflows. The process is ongoing, with management engaging with lenders and will be assessed constantly by management.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

34 Financial risk management (continued)

34.6 Liquidity risk (continued)

Namibia and Africa operations

No difficulties are foreseen in repaying borrowings. On the BAT facility with RMB, the rental has been received in advance and is more than sufficient to cover the repayments. The RMB loan is repayable on 1 September 2021, and the process to refinance the borrowings is underway, but has not been finalised to date. On the Pemba property, presently all tenants remain trading, failing which there are sufficient cash reserves to cover the instalments or any shortfall.

United Kingdom operations

With a resilient portfolio diversified across a number of sectors, Moorgarth has demonstrated an ability to collect income and service debt over the last 12 months, which include the period of maximum damage from Covid-19. Moorgarth held more cash at February 2021 than it did at February 2020. Moorgarth's cash flow forecasts show that it can service all debt during the next 18 months period, by which point it will be increasingly cash flow positive (on a monthly basis).

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

COMPANY			GROUP						
Less than 1 year R'million	Between 1 and 5 years R'million	At 28 February 2021	Less than 6 months £'000	6-12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total contractual cash flows £'000	Carrying amount liabilities £'000
1	—	Trade and other payables including taxation	13 417	3 627	318		3 500	20 862	20 862
		Borrowings including preference shares	26 587	46 472	102 493	224 729	83 148	483 429	421 582
1 039	1	Lease liabilities	3 843	3 844	7 596	17 884	25 519	58 686	40 575
		Total non-derivatives	43 847	53 943	110 407	242 613	112 167	562 977	482 983
		Derivatives	71	71	7 872	137	—	8 151	8 078
			43 918	54 014	118 279	242 750	112 167	571 128	491 062

Less than 1 year R'million	Between 1 and 5 years R'million	At 29 February 2020	Less than 6 months £'000	6-12 months £'000	Between 1 and 2 years £'000	Between 2 and 5 years £'000	Over 5 years £'000	Total contractual cash flows £'000	Carrying amount liabilities £'000
3	—	Trade and other payables including taxation	5 965	5 503	6 922			18 390	18 390
		Borrowings including preference shares	2 072	21 147	147 857	221 786	32 004	424 866	424 866
23	1 089	Lease liabilities	—	8 414	12 124	18 185	30 331	69 054	48 953
		Total non-derivatives	8 037	35 064	166 903	239 971	62 335	512 310	492 210
		Derivatives	—	—	6 274	—	—	6 274	6 274
			8 037	35 064	173 177	239 971	62 335	518 584	498 483

34.7 Fair value of financial instruments

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

28 February 2021

	GROUP				
Assets (£'million)	**Carrying value**	**Net (losses)/ gains**	**Total interest income**	**Total interest expense**	**Impairment**
Financial asset at fair value through profit or loss	4.1	(3.6)	—	—	—
Derivatives	—	(1.2)	—	—	—
Loans to joint venture	9.9	—	1.3	—	(8.2)
Loans to associates	5.5	—	—	—	—
Loans receivable	8.2	—	0.7	—	—
Trade and other receivables	6.3	—	—	—	—
Other assets	10.9	—			—
Cash and cash equivalents	25.4	—		—	—
Liabilities (£'million)					
Long-term borrowings	348.1	—	—	(28.3)	—
Derivatives	0.3	(2.0)	—	0.3	—
Preference shares	49.6	—	—	(3.4)	—
Deferred revenue	6.5		—	—	—
Short-term borrowings	23.8	1.6	—	(0.6)	—
Trade and other payables	19.8	—	—	—	—
Lease liabilities	41	—	—	(2.0)	—

29 February 2020

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

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

All financial instruments are classified as loans receivable/payable at amortised cost, except listed investments, which are classified as financial assets at fair value through profit or loss and the derivatives, which are partly carried at fair value through profit and loss held for trading and partly as fair value through profit and loss designated as a hedge – refer note 20

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

34 Financial risk management (continued)

34.8 Capital risk management

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

The capital structure of the group consists of debt, which includes the borrowings disclosed in notes 18 and 19, cash and cash equivalents, and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings.

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, inter alia, 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 its loan covenants throughout the reporting period, with the exception of the following borrowings:
RMB – refer note 18.4
The group is in breach of the group net asset value covenant at the year end date by £31 million, as well as further Moorgarth entity specific loan to value, interest cover ratio and vacancy ratio covenants. RMB have provided covenant waivers after the reporting date. The borrower has serviced all debt and amortisation payments, and will continue to do so. As the facility is due to expire in December 2021, the liability has been disclosed as a short term liability. Credit approved terms were agreed with RMB after the reporting date to extend this facility for a 6 month term until 30 June 2022.

HSBC Waverley joint venture facility (not consolidated). The entity is in breach of interest cover ratio covenants – refer note 34.8.2

34.8.1 South Africa, Namibia and Africa operations

There has been no difficulty to maintain any covenants and none have been breached.

34.8.2 United Kingdom operations

HSBC have banked Moorgarth group for 10 years, and have advanced over £100m during that period. HSBC have been strongly supportive of Moorgarth in word and deed during the Covid-19 period, most recently extending the £43m Reading JV facility for a further 12 months (completion set for May 2021), without requiring a new valuation. Management are very confident that this support will continue as the economy now picks up.

The following HSBC borrowing facilities are expected to require further support in the new financial year:

i) **Waverley** – likely to require interest cover ratio covenant waivers solely due to the enforced Covid-19 closure period. This debt is held in a ring-fenced entity, held in a joint venture. HSBC has already granted the initial 2 quarter covenant waivers required, and there is complete confidence in management that any further waivers required will be provided. The facility is loan to value covenant compliant and the borrower entity is servicing all debt, and will continue to do so.

ii) **Boutique** – likely to require interest cover ratio covenant waivers over the next year, again solely caused by Covid-19. The business has enjoyed strong support from HSBC since funding its acquisition in 2015. Boutique experienced a record month for new business in March 2021, and currently holds £7m in cash after 12 months of Covid-19 affected trading. Boutique's forecast show that all debt service and amortisation payments will be made in the next 12 months, and HSBC has suggested that it may be able to provide a full 4 quarters of covenant waivers now, to demonstrate its confidence in Boutique.

Borrowings reaching maturity

The HSBC facility for the JV Inception Reading S.à r.l. was due to expire in May 2021. Heads of Terms have been agreed with HSBC to extend this for a further year to May 2022.

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

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

	GROUP	
	2021 £'000	2020 £'000
The LTV ratios were as follows:		
Total borrowings (including preference shares)	427 812	415 811
Less: Short-term bank borrowings secured by cash deposits		
Net bank debt	427 812	415 811
Investment property, owner-occupied properties and property financial asset	671 357	692 177
LTV ratio	63.7%	60.1%

34.9 Fair value estimation

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

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

The following table presents the group's financial assets and liabilities that are measured at fair value at 28 February 2021:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Equity securities	–	–	4 081
Trading derivatives			
South Africa CPI hedge		–	
Non-financial assets at fair value through profit or loss			
Investment properties	–	–	703 506
Total assets			707 587
Liabilities			
Financial liabilities at fair value through profit or loss			
Trading derivatives			
Cross currency and interest rate swap		7 731	
Derivatives used for hedging			
Interest rate contracts	–	347	
Financial liabilities at amortised cost			
Preference shares		49 574	52
Borrowings	–		371 956
Lease liabilities			40 575
Total liabilities		57 652	412 583

The following table presents the group's financial assets and liabilities that are measured at fair value at 29 February 2020:

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit or loss			
Equity securities			7 697
Trading derivatives			
South Africa CPI hedge		12 928	
Non-financial assets at fair value through profit or loss			
Investment properties*			728 527
Total assets		12 928	736 224
Liabilities			
Financial liabilities at fair value through profit or loss			
Trading derivatives			
Cross currency and interest rate swap		5 900	
Derivatives used for hedging			
Interest rate contracts		374	
Financial liabilities at amortised cost			
Preference shares		55 435	54
Borrowings			369 378
Lease liabilities*			48 953
Total liabilities		61 709	418 385

* The comparative amounts for Investment properties and Lease liabilities have been updated to reconcile to the amounts as disclosed on the face of the statement of financial position

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

34 Financial risk management (continued)

34.9 Fair value estimation (continued)

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.

Refer note 2.3 for a sensitivity analysis.

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

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

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

35 Related parties

GROUP

Related party relationships exist between the company, its subsidiaries and the directors of the company. See page 137 for details of major shareholders and directors' interest and page 125 for its subsidiaries.

Non-executive director K R Collins received property consulting fees of £22 145 from Tradegro S.à r.l. during the year. These fees are disclosed in note 26.2.2

J D Wiese, alternate to non-executive director C H Wiese, is a director and indirect beneficial shareholder of Springlea Ltd, which advanced a loan to Moorgarth Group Ltd of £6 million during the 2020 financial year. Interest of £50 790 accrued on the loan during the year. The outstanding loan balance of £30 468 (2020: £4 012 615) is disclosed in 'Short term borrowings' in note 23.5

Chairman and non-executive director CH Wiese is also a significant shareholder in Shoprite Holdings Ltd, and a director and significant shareholder in Brait PLC, which lease properties from the group.

Related party loans include a loan of £255 154 (2020: £266 868) from Africol Property Investments (Pty) Limited, being sellers or affiliated to the sellers of the Namibia properties acquired in terms of the Collins group property acquisition in 2016. The loan is disclosed in note 23.1

	GROUP	
	2021 £'000	2020 £'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	70	73
The loan is disclosed in note 8.5		
Short term borrowings include the following related party loan payable to Demashuwa Property Developers (Pty) Ltd, the 50% partner in Steps JV owned by the associate company Steps Towers Property Investments (Pty) Ltd and 50% JV partner in MegaCentre JV	1 315	1 608
The loan payable is disclosed in note 23.2		
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	933	1 445
Eastwick Road Ltd (D Wheble) – 10% of The Boutique Workplace Company Ltd	859	859
The loans are disclosed in note 8.3		
All joint venture arrangements and joint operations and loans receivable from/payable to joint ventures are disclosed in note 6		
All associates and loans receivable from/payable to associates are disclosed in note 7		
All intergroup transactions have been eliminated in the annual financial statements and there are no other material transactions with related parties, except as set out in note 5		
Details of the directors shareholding are disclosed elsewhere in the annual financial statements. Details of directors remuneration is disclosed in note 26.2		
The executives of all operating companies are seen as key management personnel.		
The compensation of key management consist of:		
Salaries and short-term/termination benefits	1 274	1 550
Key management compensation was paid to:		
Executive directors and prescribed officers	1 274	1 550

COMPANY

Related party relationships exist between the company, its subsidiaries and the directors of the company. The following significant operating transactions, which were carried out principally with related parties within the group, have a material effect on the operating results and financial position of the company:

	COMPANY	
	2021 R'000	2020 R'000
Directors' emoluments	2 491	1 338
Interest income from loans to subsidiary – refer note 27	67 015	89 037

Dividend distributions to shareholders are disclosed in note 16.3
Year-end balances with related parties are disclosed in Note 5.2

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

36 Share based payments

36.1 An 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.

36.2 During the year, 1 419 209 (2020: 1 171 375) share options of ZAR8.07 each were awarded and accepted by employees of the group as follows in terms of the ESOP:

Granted on 25 August 2020 and exercisable in 3 equal tranches on each of 25 August 2024, 25 August 2025 and 25 August 2026:

	Number of options
FH Esterhuyse	304 862
KA Searle	352 735
KL Nordier	261 012
D Coleman	161 076
	1 079 685

Granted on 26 August 2020 and exercisable in 3 equal tranches on each of 26 August 2024, 26 August 2025 and 26 August 2026:

	Number of options
TA Vaughan	243 164
GC Lang	36 567
MB Borrageiro	32 649
GA Adams	27 144
	339 524

No options lapsed during the year (2020: 93 788).
The fair value of the options granted was estimated on the Grant Date using the following assumptions:

	GROUP
	2021
Dividend yield (%)	—
Expected volatility (%)	30.90%
Risk-free interest rate (%)	7.36%
Expected life of share options (years)	6
Weighted average share price (ZAR)	8.60
The weighted average fair value of the options granted during the year was £	247 155

	£'000
For the year ended 28 February 2021, Tradehold has recognised a share-based payment expense in the statement of changes in equity of	82

At 28 February 2021, there are 4 850 447 (2020: 6 269 656) shares available for utilisation under the ESOP.

37 Going concern

The Covid-19 pandemic has had an adverse financial impact on the group results in the following areas, compared to the previous financial year:

- revenue has reduced by 21%, of which 12% is due to Covid-19 and the balance due to currency movements
- investment properties (excluding right of use assets) have devalued by £16.6 million
- net profit has reduced by £45.7 million to a loss of £39.7 million
- loss from joint venture has increased by 346% to a total loss of £11.4 million (of which £8.2 million is disclosed as an impairment loss on loans to JV's)
- the current ratio has deteriorated to net current liabilities of £53.7 million
- the loan to value ratio has declined from 62.7% to 64%, thus less headroom on borrowing covenants; and
- several RMB covenants have been breached.

It should be noted that the results were adversely affected by a once-off Collins breakage and refinance cost of £10.7 million on the unwind of fixed interest borrowings and renewal of the same at a lower interest rate, which was not Covid-19 related. This debt restructure has assisted in reducing the interest cost on total borrowings from an average of 11.3% to 8.4%, which is expected to translate to future interest cost savings of approximately R80 million per year. Although this was achieved at nil cash cost, it required a once-off finance cost expense to the income statement of R228.7 million, due to a composite transaction whereby the breakage and renewal costs were in effect funded through the proceeds on unwinding of a CPI hedge derivative asset.

Despite the adverse effect of the pandemic on its finances, group cash balances have increased by 11% to £26 million.

The group has prepared financial forecasts based on detailed operational cash flow forecasts, for the 18 months to 31 August 2022. After servicing all interest and amortisation on borrowings, the forecasts show a decline in cash balances of less than 25% by the next year end, thus still showing sufficient cash levels as a buffer against unforeseen events.

A summary of debt covenants that have been breached are presented below.

RMB B preference shares covenants:

RMB covenants – Issuer	Covenant calculation at 28 February 2021
1. Issuer Loan to Value not more than 65%	63.99% – compliant
2. Interest Cover Ratio not less than 1.3 times	2.34 – compliant
3. Intrinsic NAV not less than £300 million	£268.972 million – breach of £31 million

RMB covenants – Entity	
4. Loan to Value portfolio properties not more than 65%	80.30% – breach – cure required £10.9 million
5. Interest Cover Ratio portfolio properties not less than 2.25	1.61 – breach
6. Vacancy Rate portfolio properties not less than 85%	80.70% – breach

The main reason for the entity covenant breaches is the devaluation of the main funded asset, Marketplace Bolton shopping centre, due to its anchor tenant Debenhams going into administration during the year, as well as the centre being completely shut under Covid-19 lockdowns for the most part of the financial year. The RMB facility funds Moorgarth assets, and the debt has continued to be serviced through Moorgarth operational cash.

Subsequent to the reporting date, RMB has waived all breaches of the above noted covenants. Management are in continual discussions with RMB to provide updates on trading developments, and to extend the facility for a further three years beyond its scheduled expiry in December 2021. To date, a preliminary extension of 6 months on the borrowing was approved by RMB.

The forecasts, based on the assumption that the borrowings are extended on the current terms, show that covenants 3, 4 and 6 are likely to continue to be in breach over the next 18 months.

The next covenant measurement date is 31 August 2021, however RMB has not provided a covenant condonation as yet. Management is comfortable with this for the following reasons:
RMB is already, as part of the February 2021 covenant condonation, taking a view on Tradehold's other assets and predominantly its investment in Collins group. This will also form part of the three year extension that is being discussed and is expected to result in less emphasis on the Moorgarth portfolio for covenant purposes. As a result, it is likely that a redemption will not be required to bring the Moorgarth assets in line with the current loan to value covenants.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

37 Going concern (continued)

In the event that RMB do not condone a breach at 31 August 2021, Tradehold has the right under the existing terms to cure the breach. Management is comfortable that the group will have sufficient liquidity at its disposal should a cure be required through the following strategies:

- sufficient liquidity available in the Collins Group, which is forecast to increase;
- proceeds from the disposal of three assets already earmarked for sale in the United Kingdom (including the liquidation of an interest in a property fund); and
- proceeds from the disposal of assets in Africa outside South Africa.

In addition, management believe significant progress will be made by mid-year on letting the voids at Market Place Bolton which should have a positive effect on valuations and reduce the extent of the cure required.

Moorgarth HSBC covenants

All Moorgarth debt covenants were compliant at year end.

The detailed 18 month forecasts show that Boutique is likely to require interest cover ratio covenant waivers over the next year, again solely caused by Covid-19.

Boutique has enjoyed strong support from HSBC since funding its acquisition in 2015. Boutique experienced a record month for new business in March 2021, and currently holds £7 million in cash after 12 months of Covid-19 affected trading. Boutique's forecast show that all debt service and amortisation payments will be made for at least the next 18 months.

The Waverley centre in Edinburgh (held in a joint venture and thus not consolidated) is also likely to require interest cover ratio covenant waivers due to the enforced Covid-19 closure period. HSBC has already granted the initial 2 quarter covenant waivers required, and there is complete confidence by management that any further waivers required will be received. The facility is loan-to-value covenant compliant, the company is servicing all debt obligations, and is expected to continue to do so in the going concern period. This facility is secured by the property, and as such, not guaranteed by any Tradehold group company.

HSBC have banked Moorgarth Group for 10 years, and have advanced over £100m during that period. HSBC have been strongly supportive of Moorgarth in word and deed during the Covid-19 period, most recently (with completion on 18 May 2021) extending the £43m Reading JV facility for a further 12 months without requiring a new valuation.

Management is confident that this support will continue as the economy turns around.

Although the group is reporting a significant deterioration in its current ratio to a net current liability position, the reason for the decline is mainly due to the following:

i) reclassification of the RMB preference share borrowings of £49.6 million and the related derivative of £7.7 million to current borrowing, due to the scheduled repayment date of December 2021. This facility was extended after the reporting date, by 6 months until 30 June 2022.
ii) reclassification of Africa operations borrowings of £3.1 million secured by a property with a long lease to BAT in the process of being refinanced for a further 4 year term, to current borrowings. The refinance process has commenced but not yet completed at the reporting date.
iii) reclassification of Namibia operations borrowings of £4.9 million originally repayable in March 2021 but successfully refinanced for 5 years after the reporting date, to current borrowings.

Management is confident that RMB and Africa borrowings will be successfully refinanced, and that the group's significant net current liability position will return to a net current asset position by the next reporting date

South Africa
Collins' cash levels have strengthened from £8.5 million at the previous year end to £10 million at the current reporting date. Collins have successfully negotiated the most significant impacts of the Covid-19 pandemic without having to utilise its' liquid cash reserves. Most of its tenants either provide essential services or manufacture essential goods or components, enabling them to continue trading throughout the lockdown period, and pay the full rental due in terms of their lease agreements. There has been very little tenant fall-out, as the group does not have a large retail portfolio.

United Kingdom
The overall economic position in the United Kingdom is more certain and more positive compared to 12 months ago since the onset of the Covid-19 pandemic. The impact of the pandemic on GDP or employment or how Moorgarth would be affected was unknown at that stage, in addition to uncertainty over Brexit. A year later, the United Kingdom has a successful vaccine program, the economy is being released from lockdown, it has a Brexit deal and economic forecasts for GDP growth range from 5% – 7% for next year.

With a resilient portfolio diversified across a number of sectors, Moorgarth has demonstrated an ability to collect income and service debt over the last 12 months, which include the period of maximum damage from Covid-19. Moorgarth has more cash at the reporting date than it did at 29 February 2020. Its cash flow forecasts show that it can service all debt during the next 18 month period, including the RMB debt, by which point it will be increasingly cash flow positive.

In the face of the near closure of most of its buildings for a period of time, greatly reduced footfall in London generally and a significant drop in occupancy, the Boutique team did an excellent job managing cash flow in the past year. Through a combination of accelerating income, making operating cost savings and deferring rents and other liabilities, Boutique has been able to increase its cash position and currently forecasts that it will be able to manage its cash position for at least 18 months.

In summary, compared to a year earlier, the economic outlook has improved, Moorgarth's cash position is stronger, and management are justifiably confident of obtaining bank support where required, as was done over the last 12 months, given the long term bank relationships in place. There are thus several mitigating factors present to offset any uncertainty created by the RMB refinance risk and HSBC covenant breach risk, over the Moorgarth group's ability to continue as a going concern.

Africa operations
Its cash position is unchanged from last year, and its loan to value ratio has strengthened from 36.4% to 35.1% due to debt repayments.
The borrowings of £3.1 million secured by the BAT-tenanted property and currently being refinanced should be reclassified to long term borrowings by the next year end, thus restoring its current ratio.

No debt covenants have been breached and the 18 month forecast shows sufficient cash, after all debt interest and amortisation has been serviced.
There is no concern over the Africa segment's ability to continue as a going concern.

The portfolio remains for sale, which could release more than £10 million of equity for the group.

Namibia operations
Its cash position is unchanged from last year, and its loan to value ratio has strengthened from 63.9% to 60% due to debt repayments, despite some valuation losses on properties.

Borrowings of £4.9 million successfully refinanced for 5 years after the reporting date, will be reclassified to long term borrowings by the next year end, thus restoring its current ratio.

No debt covenants have been breached and the 18 month forecast shows healthy growth in its cash position, after all debt has been serviced.
There is no concern over the Namibia segment's ability to continue as a going concern.

The portfolio remains for sale, which could release more than £10 million of equity for the group.

The group has strong operational and financial capacity to continue operations throughout the going concern period and beyond, sound banking relationships with its funders, as well as strategies and opportunities to release cash for liquidity if required. The directors therefore consider the going concern assumption to be appropriate in the presentation of the financial statements as at 28 February 2021.

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

38 Events after the reporting period

The entity is in breach of several of its financial covenants measured at the reporting date on its redeemable listed B preference shares issued to FirstRand Bank Ltd (RMB), and RMB has, subsequent to the reporting date, waived all non-compliance as well as extended the facility, which is redeemable in December 2021, up to 30 June 2022 – refer note 18.4.

Namibia operations borrowings of £4.9 million were refinanced after the reporting date for 5 years – refer note 19.1.10.

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.

Assets held for sale as shown in note 11 are highly probable to have all unconditional sale terms fulfilled after the reporting period.

Two separate Interest Rate Swap transactions were purchase where fixed interest rate swaps were acquired, held in the names of Imbali Props 21 (Pty) Ltd and Saddle Path Props 69 (Pty) Ltd, amounting to R357m and R617m respectively in value. The effective date of the acquisitions is related to the subsequent financial period and has no impact on the current financial period.

A significant lease cancellation fee was negotiated where a single tenanted property was vacated by the tenant and agreed repairs were concluded at the tenant's cost. The entire lease cancellation fee was used as a means to settle the mortgage bond over the property. The bond settlement portion was reallocated to current liabilities at the reporting date. The financial effect after the reporting date is estimated to be a £40 000 savings in finance costs.

39 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 (Moorgarth)
Property – South Africa (Collins group)
Property – Austria (Collins group)
Property – Namibia (Nguni group)
Property – rest of Africa
Serviced Office – United Kingdom (Boutique)
Other

The Austria properties have been identified as a separate segment due to it's operations being in a different geographical location, regulatory environment and economic characteristics from the South African properties within the Collins group.

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

The "rest of Africa" segment comprises properties in Zambia and Mozambique, which have been aggregated into one reportable segment as they share similar operations, and the CODM monitors them as one segment.

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 operating segments, reconciliations of operating segments' assets to total assets, and of operating segments' liabilities to total liabilities, are not presented.

The segment information provided to the CODM for the operating segments for the year ended 28 February 2021 is as follows (in £'000):

	Property						Serviced Office		
	United Kingdom including Joint Ventures	United Kingdom IFRS and consolidation adjustments	South Africa	Austria	Namibia	Rest of Africa	United Kingdom	Other	Group total
	Moorgarth		Collins		Nguni	Tradehold Africa	Boutique		
Condensed statement of comprehensive income									
Total segment revenue (external customers)	11 906	(5 291)	43 937		3 001	2 319	18 401		74 274
Intersegment revenue/(costs)		2 931					(2 931)		
Other income	1 844	(1 513)	437		239	45	145	(5)	1 193
Foreign exchange gains and losses	–	–	–		–	780	–	(181)	599
Provision for bad debts	(1 660)	(7 813)	(88)		(26)				(9 587)
Unrecovered property costs	(2 471)	696				(194)			(1 969)
Other operating costs	(3 803)	(2 029)	(5 104)		(848)	(518)	(5 619)	(764)	(18 685)
EBITDA	**5 816**	**(13 019)**	**39 182**	**–**	**2 366**	**2 432**	**9 996**	**(950)**	**45 825**
Depreciation, impairment and amortisation	(227)	20	(394)		(11)	(4)	(1 734)		(2 350)
Trading profit per entity	**5 589**	**(12 999)**	**38 788**	**–**	**2 355**	**2 428**	**8 262**	**(950)**	**43 475**
Profit on disposal of investment property			(817)						(817)
Fair value adjustment on investment property	(33 516)	11 925	(10 825)		(453)	(189)			(33 058)
Fair value adjustment on right of use assets	(28)	1 687					(7 263)		(5 604)
Profit on disposal PPE			4						4
Loss on disposal of financial assets	(10)		(52)						(62)
Fair value gain/(loss) on financial assets	(610)		(1 376)					(185)	(2 171)
Operating profit/(loss)	**(28 575)**	**613**	**25 722**	**–**	**1 902**	**2 239**	**999**	**(1 135)**	**1 765**
Finance income	570	574	1 798		162	–	–	2 207	5 310
Finance cost – lease liabilities	(356)	780	(29)				(2 368)		(1 973)
Finance cost (notional interest allocation per segment based on debt utilisation)	(4 987)	1 729	(34 248)		(1 553)	(630)	(279)	(2 546)	(42 512)
Loss from joint venture	–	(3 219)	–		–	–	–	–	(3 219)
Loss from associated companies	–	–	–		(474)	–	–	–	(474)
Profit before taxation	**(33 348)**	**477**	**(6 757)**	**–**	**37**	**1 609**	**(1 648)**	**(1 474)**	**(41 103)**
Income tax expense	2 175	(477)	(1 971)		(41)	(333)	133	(319)	(833)
Profit before non-controlling interest	**(31 173)**		**(8 728)**	**–**	**(4)**	**1 276**	**(1 515)**	**(1 793)**	**(41 936)**
Non-controlling interest	–	–	1 796		27	284	120	–	2 227
Net profit for the year	**(31 173)**		**(6 932)**	**–**	**23**	**1 560**	**(1 395)**	**(1 793)**	**(39 709)**

NOTES (CONTINUED)

39 Segment information (continued)

The segment information provided to the CODM for the operating segments for the year ended 28 February 2021 is as follows (in £'000) (continued):

	Property						Serviced Office		
	United Kingdom including Joint Ventures	United Kingdom IFRS and consolidation adjustments	South Africa	Austria	Namibia	Rest of Africa	United Kingdom	Other	Group total
	Moorgarth		Collins		Nguni	Tradehold Africa	Boutique		
Condensed statement of financial position									
Investment properties	213 241	(50 343)	415 417	28 826	34 841	20 883			662 866
Property plant and equipment	3 672	(31)	2 502		2	31	3 006		9 181
Right-of-use assets	5 833	(17 567)	301				52 073		40 640
Intangible assets		(37)					8 068		8 031
Financial assets	4 028	—	1 919		53			(1 919)	4 081
Investment in joint ventures	20 325	(2 654)			1 315				18 985
Investment in associates	—	—	—		5 468	—	—	—	5 468
Deferred taxation	795	432	1 952		1 207	2 158	23		6 567
Cash	4 993	(963)	8 336	1 122	241	3 211	7 334	1 134	25 408
Assets held for sale			954						954
Other receivables	10 491	(3 795)	9 725	604	519	2 044	4 345	1 437	25 369
Total assets	**263 378**	**(74 958)**	**441 106**	**30 552**	**43 646**	**28 327**	**74 849**	**652**	**807 550**
Borrowings (notional allocation per segment based on debt utilisation)	154 943	(45 044)	271 694	13 772	20 911	7 321	5 973	89	429 660
Lease liabilities	5 833	(17 567)	236		—	—	52 073	—	40 575
Deferred revenue	—	—	1 136		—	798	4 566	—	6 500
Deferred tax	—	—	37 752		2 289	188	—	—	40 229
Other payables	6 141	(2 310)	3 351	1 570	428	3 589	7 740	318	20 826
Total liabilities	**166 917**	**(64 921)**	**314 169**	**15 342**	**23 628**	**11 896**	**70 352**	**407**	**537 790**
Non-controlling interest	—	—	46 277		(31)	(1 658)	(77)	—	44 511
Group borrowings	93 731	(10 163)	(200)		12 484	14 519	6 000	(116 371)	—
Shareholders equity	2 730	126	80 860	15 210	7 565	3 570	(1 426)	116 616	225 249
Total equity	**96 461**	**(10 037)**	**126 937**	**15 210**	**20 018**	**16 431**	**4 497**	**245**	**269 760**
Total assets include additions to the following non-current assets:									
Additions to property, plant and equipment	160		252						413
Additions to investment properties	3 744		44 817		7				48 567
Additions to goodwill	10								10
Additions to joint ventures	—		—			—			
Additions to associates	—		—			—			—

The segment information provided to the CODM for the operating segments for the year ended 29 February 2020 is as follows (in £'000):

	Property						Serviced Office		
	United Kingdom including Joint Ventures	United Kingdom IFRS and consolidation adjustments	South Africa	Austria	Namibia	Rest of Africa	United Kingdom	Other	Group total
	Moorgarth		Collins		Nguni	Tradehold Africa	Boutique		
Condensed statement of comprehensive income									
Total segment revenue	12 488	(3 997)	55 756		4 237	2 679	23 445	—	94 608
Other income	6 494	(243)	1 103		76	567	—	8	8 005
Foreign exchange gains and losses	—	—	—		—	211	—	(8)	203
Provision for bad debts	(231)	(1 383)	(44)		(451)		—	(6)	(2 115)
Unrecovered property costs	(2 528)	742			—	(103)	—	—	(1 889)
Other operating costs	(4 905)	3 078	(6 896)		(939)	(467)	(13 332)	(885)	(24 346)
EBITDA	**11 318**	**(1 803)**	**49 919**	**—**	**2 923**	**2 887**	**10 113**	**(891)**	**74 466**
Depreciation, impairment and amortisation	(325)	79	(416)		(55)	(8)	(2 154)	(2)	(2 881)
Trading profit per entity	**10 993**	**(1 724)**	**49 503**	**—**	**2 868**	**2 879**	**7 959**	**(893)**	**71 585**
Profit on disposal of investment property	(9)		(1 410)		—	—		—	(1 419)
Fair value adjustment on investment property	(16 651)	3 016	1 885		(1 201)	230	—	—	(12 721)
Fair value adjustment on right of use assets		(17)					(5 784)		(5 801)
Profit/(loss) on acquisition/ disposal of subsidiaries/ associates		—			—	(100)		—	(100)
Impairment of goodwill							(59)		(59)
Fair value gain/(loss) on investments	568	—	5 656		—	—	—	421	6 645
Operating profit/(loss)	**(5 099)**	**1 275**	**55 634**	**—**	**1 667**	**(3 009)**	**2 116**	**(472)**	**58 130**
Finance income	1 095	122	1 724		387	16	3	4 316	7 663
Finance cost – lease liabilities	(231)						(1 967)		(2 198)
Finance cost (notional interest allocation per segment based on debt utilisation)	(5 025)	1 215	(33 292)		(2 472)	(751)	(294)	(4 430)	(45 049)
Profit from joint venture	—	(1 141)	—		—	—	—	—	(1 141)
Profit from associated companies	—	—	—		—	—	—	—	
Profit before taxation	**(9 260)**	**1 471**	**24 066**	**—**	**(418)**	**2 274**	**(142)**	**(586)**	**17 405**
Income tax expense	(159)	(85)	(6 211)		42	(506)	(53)	(270)	(7 242)
Profit before non-controlling interest	**(9 419)**	**1 386**	**17 855**	**—**	**(376)**	**1 768**	**(195)**	**(856)**	**10 163**
Non-controlling interest	—	—	(4 691)		24	440	49		(4 178)
Net profit for the year	**(9 419)**	**1 386**	**13 164**	**—**	**(352)**	**2 208**	**(146)**	**(856)**	**5 985**

NOTES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

39 Segment information (continued)

The segment information provided to the CODM for the operating segments for the year ended 29 February 2020 is as follows (in £'000) (continued):

	Property						Serviced Office		
	United Kingdom including Joint Ventures	United Kingdom IFRS and consolidation adjustments	South Africa	Austria	Namibia	Rest of Africa	United Kingdom	Other	Group total
	Moorgarth		Collins		Nguni	Tradehold Africa	Boutique		
Condensed statement of financial position									
Investment properties	239 608	(58 862)	437 967		37 073	23 721			679 506
Property plant and equipment	3 976	(51)	2 793		14	61	4 519		11 312
Right-of-use assets	5 850	(17 712)	320				60 562		49 021
Intangible assets	(37)	—					8 068		8 031
Derivative financial instruments			12 928		—				12 928
Financial assets	4 638	—	1 577		53			1 429	7 697
Investment in joint ventures	18 311	8 769			1 608				28 688
Investment in associates					6 082			—	6 082
Deferred taxation	(139)	—	4 732		1 192	2 778	572	—	9 135
Cash	8 489	(938)	8 518		212	3 149	2 968	1 098	23 495
Assets held for sale			4 507						4 507
Other receivables	14 076	(3 083)	19 686		1 030	3 984	5 323	2 432	43 449
Total assets	**294 772**	**(71 878)**	**493 028**	**—**	**47 263**	**33 693**	**82 013**	**4 958**	**883 849**
Borrowings (notional allocation per segment based on debt utilisation)	160 432	(42 732)	274 188		23 683	8 629	6 681	260	431 140
Lease liabilities	5 851	(19 246)	253		—	—	62 095	—	48 953
Deferred revenue	883	—	1 020		—	852	3 928	—	6 683
Deferred tax	838	(820)	41 013		2 279	557	748	—	44 615
Other payables	3 283	(1 458)	6 958		403	3 846	4 664	693	18 389
Total liabilities	**171 287**	**(64 256)**	**323 431**	**—**	**26 364**	**13 884**	**78 116**	**953**	**549 780**
Non-controlling interest	—	—	52 738		(4)	(1 374)	43		51 403
Group borrowings	85 797	(9 156)	(113)		12 096	17 455	6 000	(112 081)	—
Shareholders equity	37 688	1 534	116 972		8 807	3 727	(2 147)	116 088	282 668
Total equity	**123 485**	**(7 622)**	**169 596**	**—**	**20 899**	**19 809**	**3 896**	**4 007**	**334 070**
Total assets include additions to the following non-current assets:									
Additions to property, plant and equipment	1 340		281						1 622
Additions to investment properties	2 483		9 324		293				12 101
Additions to goodwill	10								10
Additions to joint ventures	—		—			—			
Additions to associates	—		—			—			—

INTEREST IN SUBSIDIARIES

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

Name of entity	Place of business/ country of incorporation	Issued Share Capital	Percentage shares held by group 2021 %	2020 %	Principal Activities
Tradegro Holdings (Pty) Ltd	Malta/South Africa	ZAR7 877 752	100	100	Investment holding
Tradegro S.à r.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.à r.l.	Luxembourg	£21 500	100	100	Investment holding
Moorgarth Group Ltd	United Kingdom	£100	100	100	Investment holding and treasury
Inception Holdings S.à r.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.à r.l.	Luxembourg	£12 499	100	100	Dormant
London Office S.à r.l.	Luxembourg	£3 599 150	100	100	Property investment
Inception Living S.à r.l.	Luxembourg	£47 174	100	100	Property investment
The Boutique Workplace Company Ltd	United Kingdom	£1	90	90	Serviced office provider
Ventia Ltd	United Kingdom	£1 050	90	90	Serviced office provider
Queen Street Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
Golden Square Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
St John Street Business Centre Ltd	United Kingdom	£1	90	90	Serviced office provider
Thomas Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Margaret Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
John Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Queen Street (City) Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Farringdon Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Bedford Square Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Christopher Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Whitefriars Street Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Southampton Place Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Wimbledon Business Centre Ltd	United Kingdom	£100	90	90	Serviced office provider
Wandle Point Management Ltd	United Kingdom	£100	100	100	Property investment
Moorgarth Maple Ltd (formerly Cairnduff Developments Rutherglen)	United Kingdom	£1	100	100	Property investment
St Catherines Perth (2) S.à r.l.	Luxembourg	£1	100	100	Dormant
RSP Investments Ltd	United Kingdom	£1	100	100	Financial investment holding
PM and U Ltd (formerly 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	Dormant
The Boutique Retail Company Ltd (formerly Moorgarth Leisure Ltd)	United Kingdom	£1	100	100	Dormant
Moorgarth Property Investments Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Retail Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Living Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Euston Ltd	United Kingdom	£1	100	100	Property investment
Moorgarth Maple (Luxembourg) S.à r.l.	Luxembourg	£1 100 000	100	100	Investment holding
Africa subsidiaries					
Tradehold Africa Ltd	Mauritius	USD 100	100	100	Investment holding
TC Mozambique Properties Ltd	Mauritius	USD 100	75	75	Investment holding
Tete Hollow Limitada	Mozambique	MZN 50 000	100	100	Property letting
Tradehold Mozambique Limitada	Mozambique	MZN 50 000	75	75	Property letting
Danbury Properties Ltd	Mauritius	USD 100	100	100	Investment holding

INTEREST IN SUBSIDIARIES (CONTINUED)

Tradehold Limited and its subsidiaries for the year ended 28 February 2021

Name of entity	Place of business/ country of incorporation	Issued Share Capital	Percentage shares held by group 2021 %	2020 %	Principal Activities
First Properties (Pty) Ltd	Zambia	ZMW 500 000	100	100	Property letting
Tete Hollow Mauritius Ltd	Mauritius	USD 100	100	100	Investment holding
TC Tete Properties Ltd	Mauritius	USD 100	75	75	Investment holding
Tradehold API Ltd	Mauritius	USD 200	75	75	Investment holding
Atterbury Matola Mauritius Ltd	Mauritius	USD 100	75	75	Investment holding
Atterbury Pemba Properties Ltd	Mauritius	USD 12	75	75	Investment holding
Atterbury Pemba Mauritius Ltd	Mauritius	USD 2	67	67	Investment holding
Pemba Investment Company Lda	Mozambique	MZN 110 000	68	68	Property letting
Atterbury Matola Lda	Mozambique	MZN 20 000	75	75	Property letting
South Africa subsidiaries					
Collins Property Projects (Pty) Ltd	South Africa	ZAR2 346 186 792	74.3	74.3	Property management services
Imbali Props 21 (Pty) Ltd	South Africa	ZAR434 647 036	100	100	Property letting
Saddle Path Props 69 (Pty) Ltd	South Africa	ZAR28 384 131	100	100	Property letting
Dimopoint (Pty) Ltd	South Africa	ZAR233 545 200	70	70	Property letting
Applemint 24 (Pty) Ltd	South Africa	ZAR100	68.9	68.9	Property letting
Seculotte Trading 7 (Pty) Ltd	South Africa	ZAR240	50	50.0	Property letting
Colkru Investments (Pty) Ltd	South Africa	ZAR100	90	90.0	Property letting
Colkru Developments (Pty) Ltd	South Africa	ZAR100	75	75.0	Property development
Colkru Mamelodi Investments (Pty) Ltd	South Africa	ZAR100	80	80.0	Property letting
Langa Property Investment (Pty) Ltd	South Africa	ZAR100	100	100.0	Property letting
Ifana Investments (Pty) Ltd	South Africa	ZAR260	50	50	Property letting
Austria subsidiaries					
Collins AUS Holdings GmbH	Austria	EUR 17 500	100	–	Investment holding
Collins AUS Investments GmbH	Austria	EUR 17 500	100	–	Investment holding
BM 521 RIE GmbH	Austria	EUR 17 500	100	–	Property letting
BM 778 SAL L GmbH	Austria	EUR 17 500	100	–	Property letting
BM 549 SAL M GmbH	Austria	EUR 17 500	100	–	Property letting
BM 547 WEL GmbH	Austria	EUR 17 500	100	–	Property letting
BM 791 ZWE GmbH	Austria	EUR 17 500	100	–	Property letting
BM 620 LIN D GmbH	Austria	EUR 17 500	100	–	Property letting
Namibia subsidiaries					
Nguni Property Fund Ltd (formerly Safcoll Property Holdings (Pty) Ltd)	Namibia	NAM $ 100	100	100	Property letting
Nguni Property Developments (Pty) Ltd	Namibia	NAM $ 100	100	100	Property development
TradeCol Investment Holdings (Pty) Ltd	Namibia	NAM $ 200	87.5	87.5	Property development
Probo (Pty) Ltd	Namibia	NAM $ 100	87.5	87.5	Property letting

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

PROPERTY PORTFOLIO ANALYSIS

As at 28 February 2021

Property schedule

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
					Industrial: total	1 402 450	81.18%	2.19	6.06%	62.72%	1.80%
United Kingdom											
Wilmington Grove, Leeds – car park	May-06	3 470	Feb-21	1 150	Industrial	9 793					
Ogden Road Industrial Estate, Doncaster	Dec-06	3 465	Feb-21	3 130	Industrial	3 351					
Mozambique											
Angola Avenue Number 2289, Maputo, Mozambique	Jan-17	8 431	Dec-19	8 595	Industrial	12 006					
South Africa											
Kensington, Western Cape	Dec-16	451	Feb-20	491	Industrial	1 410					
Prospecton 1, KwaZulu-Natal	Dec-16	16 805	Feb-21	11 069	Industrial	35 193					
Pinetown 1, KwaZulu-Natal	Dec-16	2 611	Feb-21	2 004	Industrial	9 266					
Westmead 1, KwaZulu-Natal	Dec-16	1 537	Feb-21	1 350	Industrial	4 970					
Westmead 2, KwaZulu-Natal	Dec-16	1 005	Feb-21	897	Industrial	2 781					
Brakpan 1, Gauteng	Dec-16	38	Feb-20	58	Industrial	13 017					
Brakpan 2, Gauteng	Dec-16	2 834	Feb-20	2 782	Industrial	18 551					
Blackheath, Western Cape	Dec-16	2 324	Feb-21	2 344	Industrial	12 430					
Mobeni 1, KwaZulu-Natal	Dec-16	8 746	Feb-20	7 896	Industrial	25 724					
De Aar, Northern Cape	Dec-16	304	Feb-20	242	Industrial	4 408					
Paarl, Western Cape	Dec-16	7 203	Feb-21	6 589	Industrial	32 462					
Isando 1, Gauteng	Dec-16	6 848	Feb-20	6 188	Industrial	23 279					
Rosslyn 1, Gauteng	Dec-16	9 564	Feb-21	8 445	Industrial	43 556					
Longmeadow 1, Gauteng	Dec-16	1 197	Feb-21	1 131	Industrial	3 179					
Springs, Gauteng	Dec-16	17 059	Feb-21	14 075	Industrial	69 452					
Mkondeni 1, KwaZulu-Natal	Dec-16	329	Feb-19	334	Industrial	1 631					
Pomona, Gauteng	Dec-16	5 275	Feb-19	4 051	Industrial	11 094					
Springfield, KwaZulu-Natal	Dec-16	1 258	Feb-20	1 350	Industrial	4 100					
Roodekop 1, Gauteng	Dec-16	6 825	Feb-21	6 742	Industrial	20 192					
Prospecton 2, KwaZulu-Natal	Dec-16	32 125	Feb-21	28 193	Industrial	69 866					
Richards Bay, KwaZulu-Natal	Dec-16	877	Feb-20	873	Industrial	17 110					
Epping, Western Cape	Dec-16	9 918	Feb-20	8 999	Industrial	38 035					
Westmead 3, KwaZulu-Natal	Dec-16	1 167	Feb-19	1 064	Industrial	2 682					
Germiston 1, Gauteng	Dec-16	39 909	Feb-20	43 185	Industrial	70 273					
Germiston 2, Gauteng	Dec-16	7 617	Feb-21	9 590	Industrial	18 907					
Pinetown 2, KwaZulu-Natal	Dec-16	2 438	Feb-19	1 021	Industrial	6 072					
Wadeville, Gauteng	Dec-16	941	Feb-20	1 379	Industrial	5 376					
Isando 2, Gauteng	Dec-16	4 090	Feb-19	1 560	Industrial	6 046					
Prospecton 3, KwaZulu-Natal	Dec-16	2 098	Feb-20	2 405	Industrial	7 407					
Prospecton 4, KwaZulu-Natal	Dec-16	1 229	Feb-20	892	Industrial	2 799					
Prospecton 5, KwaZulu-Natal	Dec-16	2 632	Feb-21	2 655	Industrial	9 767					
Alrode 1, Gauteng	Dec-16	1 833	Feb-20	2 020	Industrial	13 012					
Rosslyn 2, Gauteng	Dec-16	1 029	Feb-21	1 179	Industrial	7 054					
Riverhorse Valley, KwaZulu-Natal	Dec-16	1 650	Feb-19	1 088	Industrial	4 203					
George, Western Cape	Dec-16	221	Feb-20	231	Industrial	1 518					
Boksburg, Gauteng	Dec-16	1 187	Feb-20	1 410	Industrial	6 687					
Roodepoort 1, Gauteng	Dec-16	782	Feb-20	448	Industrial	6 069					

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 28 February 2021

Property schedule (continued)

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
Pinetown 3, KwaZulu-Natal	Dec-16	1 942	Feb-21	1 699	Industrial	7 145					
Roodekop 2, Gauteng	Dec-16	2 372	Feb-21	3 033	Industrial	15 526					
Roodekop 3, Gauteng	Dec-16	4 116	Feb-21	4 483	Industrial	18 757					
Roodekop 4, Gauteng	Dec-16	10 754	Feb-21	11 855	Industrial	68 498					
Parkhaven, Gauteng	Dec-16	4 635	Feb-21	3 932	Industrial	5 992					
Bloemfontein, Free State	Dec-16	186	Feb-19	128	Industrial	2 547					
Hammarsdale, KwaZulu-Natal	Dec-16	10 030	Feb-21	11 465	Industrial	57 275					
Mkondeni 2, KwaZulu-Natal	Dec-16	22 078	Feb-21	22 363	Industrial	59 071					
Pinetown 4, KwaZulu-Natal	Dec-16	1 419	Feb-21	1 314	Industrial	6 234					
Vereeniging, Gauteng	Dec-16	10 356	Feb-21	8 040	Industrial	84 406					
New Germany, KwaZulu-Natal	Feb-21	5 701		6 050	Industrial	30 790					
Alrode 2, Gauteng	Dec-16	5 937	Feb-21	6 156	Industrial	33 787					
Germiston 3, Gauteng	Dec-16	1 996	Feb-20	1 865	Industrial	12 598					
Prospecton 6, KwaZulu-Natal	Dec-16	3 102	Feb-20	3 015	Industrial	8 420					
Westonaria 1, Gauteng	Dec-16	426	Feb-20	448	Industrial	2 296					
White River, Nelspruit	Dec-16	168	Feb-19	124	Industrial	1 614					
Mobeni 2, KwaZulu-Natal	Dec-16	11 958	Feb-21	9 209	Industrial	33 845					
Midrand 1, Gauteng	Dec-16	2 778	Feb-21	2 992	Industrial	8 596					
Midrand 2, Gauteng	Dec-16	3 232	Feb-21	3 372	Industrial	15 544					
Roodekop 5, Gauteng	Dec-16	2 033	Feb-20	1 603	Industrial	38 426					
Roodekop 6, Gauteng	Dec-16	8 716	Feb-21	9 107	Industrial	51 680					
Pinetown 5, KwaZulu-Natal	Dec-16	2 962	Feb-21	3 106	Industrial	11 767					
Clayville, Gauteng	Dec-16	6 085	Feb-20	5 372	Industrial	25 085					
Eastgate, Gauteng	Dec-16	1 114	Feb-19	1 050	Industrial	3 428					
Steeledale, Gauteng	Dec-16	1 314	Feb-21	788	Industrial	7 877					
Meyerton, Gauteng	Dec-16	1 357	Feb-20	1 073	Industrial	9 138					
Port Elizabeth, Eastern Cape	Dec-16	4 898	Feb-21	4 591	Industrial	30 193					
Westonaria 2, Gauteng	Dec-16	1 209	Feb-20	1 248	Industrial	13 020					
Mkondeni 3, KwaZulu-Natal	Dec-16	1 432	Feb-21	1 484	Industrial	12 713					
Tongaat 1, KwaZulu-Natal	Dec-16	6 453	Feb-20	8 250	Industrial	56 769					
Tongaat 2, KwaZulu-Natal	Dec-16	2 529	Feb-20	2 829	Industrial	10 159					
Pietermaritzburg 19, KwaZulu-Natal	Dec-16	426	Feb-21	348	Industrial	1 548					
Waterfall, KwaZulu-Natal	Dec-16	498	Feb-20	511	Industrial	2 977					
Pontac Park, Western Cape	May-18			93	Industrial under construction						
					Leisure: total	10 511	0.61%	6.17	0.00%	1.35%	12.71%
United Kingdom											
Cookridge Street, Leeds	Sep-06	2 752	Feb-21	2 918	Leisure	617					
Bolton – Ikon	Dec-15	247			Leisure						
Market Place, Bolton					Leisure	6 926					
25 Lime St, London					Leisure	133					
Ogden Road Industrial Estate, Doncaster					Leisure	2 835					

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighed average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
					Offices: total	43 178	2.50%	12.39	2.50%	11.74%	15.17%
United Kingdom											
Cookridge Street, Leeds	Sep-06				Offices	585					
Grays Inn, London	Jun-14	6 628	Feb-21	10 100	Offices	672					
Tagwright House	Dec-14				Offices	619					
25 Lime St, London	Dec-14	6 424	Feb-21	10 623	Offices	841					
24 Lime St, London	Apr-14	5 758	Feb-21	10 065	Offices	619					
Park Place, Leeds	Apr-15	786	Feb-21	1 395	Offices	541					
Central House, Leeds (disclosed in Property, plant and equipment)	Dec-14	1 603			Offices	942					
Wigmore Street, London	Apr-14	5 360	Feb-21	7 000	Offices	418					
Westbourne Centre, Barrhead	Oct-05				Offices	1 304					
Carter Lane, London	Feb-17	11 661	Sep-18	16 200	Offices	1 301					
Connolly Works, London	Oct-17	13 350	Feb-19	19 400	Offices	1 586					
South Africa											
Fort Beaufort, Eastern Cape	Dec-16	532	Feb-20	262	Offices	863					
Pietermaritzburg 1, KwaZulu-Natal	Dec-16	893	Feb-21	710	Offices	1 399					
Pietermaritzburg 2, KwaZulu-Natal	Dec-16	1 171	Feb-20	816	Offices	1 000					
Hilton 1, KwaZulu-Natal	Dec-16	3 316	Feb-21	1 813	Offices	2 587					
Pinetown 6, KwaZulu-Natal	Dec-16	1 708	Feb-20	1 035	Offices	3 736					
Hilton 2, KwaZulu-Natal	Dec-16	2 268	Feb-20	1 336	Offices	1 998					
Hilton 3, KwaZulu-Natal	Dec-16	1 335	Feb-19	654	Offices	1 774					
Hilton 4, KwaZulu-Natal	Feb-19	109	Feb-21	389	Offices						
Longmeadow 2, Gauteng	Dec-16	3 021	Feb-19	3 330	Offices	3 888					
Umhlanga Ridge, KwaZulu-Natal	Dec-16	6 509	Feb-21	4 618	Offices	3 901					
Hilton 5, KwaZulu-Natal	Dec-16	2 010	Feb-19	2 047	Offices	2 910					
Hilton 6, KwaZulu-Natal	Dec-16	983	Feb-20	1 245	Offices	1 774					
Vryheid, KwaZulu-Natal	Dec-16	711	Feb-21	188	Offices	1 372					
De Tijger 1, Western Cape	Jan-18	4 830	Feb-20	4 342	Offices	1 125					
De Tijger 2, Western Cape	Jan-18	11	Feb-20	205	Offices	4 323					
Wilgeheuwel, Gauteng	Aug-19	1 899		1 899	Offices	1 101					
					Retail: total	269 628	15.61%	5.66	3.31%	23.09%	9.50%
United Kingdom											
Westbourne Centre, Barrhead	Oct-05	4 050	Feb-21	1 389	Retail	2 001					
Bitterne, Southampton	Sep-04	1 756	Feb-21	2 131	Retail	1 563					
High Street, Bromsgrove	Sep-04	1 272	Feb-21	494	Retail	1 703					
24 Lime St, London	Dec-14				Retail	244					
25 Lime St, London	Apr-14				Retail	17					
St Catherine's Perth	Jun-11	12 132	Feb-21	8 931	Retail	5 912					
Market Place, Bolton	Nov-13	24 860	Feb-21	35 649	Retail	30 147					
Rutherglen	May-12	7 700	Feb-21	9 528	Retail	9 633					
Zambia											
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 454		2 469	Retail	5 412					
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 416		5	Retail	1 640					
Mozambique											
Pemba shopping centre	Jan-17		Jun-19	9 814	Retail	6 041					
Namibia											
Rundu Shopping Mall, Rundu	Mar-15	11 271	Feb-20	10 355	Retail	13 595					
Mega Centre, Windhoek	Mar-15	7 934	Feb-20	8 712	Retail	17 684					
Mutual Platz, Windhoek	Mar-15	14 480	Mar-21	8 709	Retail	16 223					
M&Z Ondangwa	Mar-15	660	Feb-20	592	Retail	2 128					
Gobabis Shopping Centre	Mar-18	1 123	Feb-21	6 474	Retail	10 215					

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 28 February 2021

Property schedule (continued)

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
South Africa											
Pietermaritzburg 3, KwaZulu-Natal	Dec-16	665	Feb-20	401	Retail	887					
Pietermaritzburg 4, KwaZulu-Natal	Dec-16	262	Feb-20	530	Retail	973					
Pietermaritzburg 5, KwaZulu-Natal	Dec-16	480	Feb-21	491	Retail	623					
Pietermaritzburg 6, KwaZulu-Natal	Dec-16	475	Feb-21	501	Retail	1 108					
Pietermaritzburg 7, KwaZulu-Natal	Dec-16	285	Feb-21	86	Retail	605					
Pietermaritzburg 8, KwaZulu-Natal	Dec-16	471	Feb-20	143	Retail	310					
Pietermaritzburg 9, KwaZulu-Natal	Dec-16	935	Feb-21	806	Retail	1 200					
Pietermaritzburg 10, KwaZulu-Natal	Dec-16	690	Feb-20	439	Retail	496					
Pietermaritzburg 11, KwaZulu-Natal	Dec-16	512	Feb-19	534	Retail	801					
Pietermaritzburg 12, KwaZulu-Natal	Dec-16	236	Feb-20	239	Retail	1 256					
Pietermaritzburg 13, KwaZulu-Natal	Dec-16	329	Feb-21	575	Retail	678					
Mkuze, KwaZulu-Natal	Dec-16	1 015	Feb-20	286	Retail	3 026					
Madadeni, KwaZulu-Natal	Nov-19	3 726		3 672	Retail	7 498					
Ulundi 1, KwaZulu-Natal	Dec-16	1 871	Feb-20	1 675	Retail	4 476					
Pietermaritzburg 14, KwaZulu-Natal	Dec-16	300	Feb-20	296	Retail	1 316					
Pietermaritzburg 15, KwaZulu-Natal	Dec-16	1 159	Feb-21	1 074	Retail	3 033					
Pietermaritzburg 16, KwaZulu-Natal	Dec-16	131	Feb-20	177	Retail	485					
Durban North 1, KwaZulu-Natal	Dec-16	1 758	Feb-19	1 298	Retail	959					
Durban North 2, KwaZulu-Natal	Dec-16	1 488	Feb-20	1 231	Retail	1 365					
Durban North 3, KwaZulu-Natal	Dec-16	841	Feb-20	735	Retail	630					
Durban North 4, KwaZulu-Natal	Dec-16	2 021	Feb-21	2 013	Retail	2 489					
Nongoma, KwaZulu-Natal	Dec-16	1 427	Feb-20	1 450	Retail	3 729					
Matatiele 1, Eastern Cape	Dec-16	4 525	Feb-21	4 433	Retail	6 743					
Matatiele 2, Eastern Cape	Dec-16	1 971	Feb-20	1 899	Retail	3 146					
Mpumalanga West, KwaZulu-Natal	Dec-16	1 044	Feb-20	1 074	Retail	2 467					
Ulundi 2, KwaZulu-Natal	Dec-16	2 185	Feb-21	2 786	Retail	3 966					
Nongoma 2, KwaZulu-Natal	Feb-20	2 445		2 462	Retail	4 161					
Nquthu 1, KwaZulu-Natal	Dec-16	2 617	Feb-20	2 486	Retail	4 895					
Roodepoort 2, Gauteng	Dec-16	1 299	Feb-20	1 555	Retail	6 222					
Ulundi 3, KwaZulu-Natal	Dec-16	1 822	Feb-20	1 624	Retail	2 772					
Pietermaritzburg 17, KwaZulu-Natal	Dec-16	669	Feb-20	534	Retail	2 210					
Pietermaritzburg 18, KwaZulu-Natal	Dec-16	3 714	Feb-20	2 099	Retail	6 720					
Durban 1, KwaZulu-Natal	Nov-20	1 915		5 716	Retail	4 145					
Durban 2, KwaZulu-Natal	Nov-20	2 991		1 501	Retail	2 093					
Langa, Western Cape	Apr-19	1 273	Feb-21	1 431	Retail	2 277					
Nkandla, KwaZulu-Natal	Apr-18	739	Feb-21	701	Retail	1 514					
Nquthu 2, KwaZulu-Natal	Oct-19	1 712		1 671	Retail	3 147					
Mamelodi, Gauteng	Sep-17			55	Retail under construction						
Inanda, KwaZulu-Natal	Feb-20			448	Retail under construction						
Austria											
Linz Dornach, Austria	Feb-21	10 814		10 814	Retail	12 120					
Salzburg Maxglen, Austria	Feb-21	3 492		3 492	Retail	12 368					
Ried, Austria	Feb-21	6 769		6 769	Retail	6 505					
Salzburg Lengf, Austria	Feb-21	2 621		2 621	Retail	3 608					
Zwettl, Austria	Feb-21	3 237		3 237	Retail	4 520					
Wels, Austria	Feb-21	1 892		1 892	Retail	11 929					

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
					Residential: total	1 813	0.10%	28.64	0.00%	1.09%	18.74%
United Kingdom											
Tagwright House	Dec-14	13 370	Mar-21	17 520	Residential	1 086					
119-125 Marygate, Berwick upon Tweed	Oct-03	387	Feb-21	75	Residential	197					
Avonview Apartments, London	Jul-16	5 134	Feb-21	5 200	Residential	530					
South Africa											
Mzuri Residential, Somerset West, Western Cape				10 171	Residential under construction						
				662 866		1 727 581	100%			100%	3.42%
The average annualised gross rental yield of the above properties amounts to				9.68%							

Tenant profile

Tenant profile	%
A – Large nationals, large listeds,and major franchisees	39.0%
B – Government	2.7%
C – Nationals, listeds, franchisees	7.1%
D – Medium to large professional firms	16.8%
E – Private commercial tenants	31.4%
F – Private residential tenants	3.0%
	100%

Lease expiry profile based on revenue

Lease expiry profile based on revenue	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	1.5%	5.2%	3.8%	52.1%
Leisure	0.1%	0.0%	0.0%	1.3%
Offices	0.4%	1.4%	0.8%	9.1%
Retail	3.8%	2.8%	2.8%	13.8%
Residential	1.1%	0.0%	0.0%	0.0%
	6.9%	9.4%	7.4%	76.3%

Lease expiry profile based on gross lettable area

Lease expiry profile based on gross lettable area	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	4.8%	9.3%	5.5%	61.4%
Leisure	0.1%	0.0%	0.0%	0.5%
Offices	0.6%	0.4%	0.2%	1.3%
Retail	1.7%	0.9%	1.2%	8.9%
Residential	1.0%	0.1%	0.1%	2.0%
	8.1%	10.8%	7.0%	74.1%

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 29 February 2020

Property schedule

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
					Industrial: total	1 390 515	82.21%	2.26	6.58%	65.54%	0.67%
United Kingdom											
Wilmingtone Grove, Leeds – car park	May-06	3 470		1 150	Industrial	9 793					
Mozambique											
Angola Avenue Number 2289, Maputo, Mozambique	Jan-17	8 431		10 586	Industrial	12 006					
South Africa											
Kensington, Western Cape	Dec-16	451	Feb-20	499	Industrial	1 410					
Prospecton 1, KwaZulu-Natal	Dec-16	16 805	Feb-18	13 893	Industrial	35 193					
Benbow Avenue, Western Cape	Dec-16	1 360	Feb-20	1 273	Industrial	3 982					
Pinetown 1, KwaZulu-Natal	Dec-16	2 611	Feb-19	2 630	Industrial	9 266					
Westmead 1, KwaZulu-Natal	Dec-16	1 537		1 437	Industrial	4 970					
Westmead 2, KwaZulu-Natal	Dec-16	1 005	Feb-19	908	Industrial	2 781					
Brakpan 1, Gauteng	Dec-16	38	Feb-20	188	Industrial	13 017					
Brakpan 2, Gauteng	Dec-16	2 834	Feb-20	2 615	Industrial	18 551					
Blackheath, Western Cape	Dec-16	2 324	Feb-19	2 271	Industrial	12 430					
Mobeni 1, KwaZulu-Natal	Dec-16	8 746	Feb-20	8 384	Industrial	25 724					
De Aar, Northern Cape	Dec-16	304	Feb-20	160	Industrial	4 408					
Paarl, Western Cape	Dec-16	7 203		6 577	Industrial	32 462					
Isando 1, Gauteng	Dec-16	6 848	Feb-20	6 148	Industrial	23 279					
Rosslyn 1, Gauteng	Dec-16	9 564	Feb-19	8 833	Industrial	43 556					
Longmeadow 1, Gauteng	Dec-16	1 197	Feb-18	1 253	Industrial	3 179					
Springs, Gauteng	Dec-16	17 059	Feb-18	15 186	Industrial	69 452					
Mkondeni 1, KwaZulu-Natal	Dec-16	329	Feb-19	359	Industrial	1 631					
Edmund Morewood Road 12, KwaZulu-Natal	Dec-16	1 168	Feb-19	863	Industrial	6 984					
Pomona, Gauteng	Dec-16	5 275	Feb-19	4 900	Industrial	11 094					
Springfield, KwaZulu-Natal	Dec-16	1 258	Feb-20	1 263	Industrial	4 100					
Roodekop 1, Gauteng	Dec-16	6 825		6 388	Industrial	20 192					
Prospecton 2, KwaZulu-Natal	Dec-16	32 125	Feb-18	32 702	Industrial	69 866					
Richards Bay, KwaZulu-Natal	Dec-16	877	Feb-20	873	Industrial	17 110					
Epping, Western Cape	Dec-16	9 918	Feb-20	9 192	Industrial	38 035					
Westmead 3, KwaZulu-Natal	Dec-16	1 167	Feb-19	1 118	Industrial	2 682					
Germiston 1, Gauteng	Dec-16	39 909	Feb-20	48 456	Industrial	70 273					
Germiston 2, Gauteng	Dec-16	7 617	Feb-18	10 001	Industrial	18 907					
Halifax Road 49, KwaZulu-Natal	Dec-16	5 609	Feb-20	4 157	Industrial	15 904					
Wadeville, Gauteng	Dec-16	941	Feb-20	1 370	Industrial	5 376					
Isando 2, Gauteng	Dec-16	4 090	Feb-19	2 131	Industrial	6 046					
Prospecton 3, KwaZulu-Natal	Dec-16	2 098	Feb-20	2 540	Industrial	7 407					
Prospecton 4, KwaZulu-Natal	Dec-16	1 229	Feb-20	845	Industrial	2 799					
Prospecton 5, KwaZulu-Natal	Dec-16	2 632	Feb-19	3 293	Industrial	9 767					
Alrode 1, Gauteng	Dec-16	1 833	Feb-20	2 054	Industrial	13 012					
Rosslyn 2, Gauteng	Dec-16	1 029	Feb-19	1 260	Industrial	7 054					
Riverhorse Valley, KwaZulu-Natal	Dec-16	1 650	Feb-19	1 452	Industrial	4 203					
George, Western Cape	Dec-16	221	Feb-20	240	Industrial	1 518					
Boksburg, Gauteng	Dec-16	1 187	Feb-20	1 488	Industrial	6 687					
Roodepoort 1, Gauteng	Dec-16	782	Feb-20	624	Industrial	6 069					
Pinetown 3, KwaZulu-Natal	Dec-16	1 942	Feb-19	1 664	Industrial	7 145					

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
Roodekop 2, Gauteng	Dec-16	2 372	Feb-19	3 301	Industrial	15 526					
Roodekop 3, Gauteng	Dec-16	4 116	Feb-19	4 912	Industrial	18 757					
Roodekop 4, Gauteng	Dec-16	10 754	Feb-19	11 644	Industrial	68 498					
Parkhaven, Gauteng	Dec-16	4 635	Feb-19	5 160	Industrial	5 992					
Bloemfontein, Free State	Dec-16	186	Feb-19	131	Industrial	2 547					
Hammarsdale, KwaZulu-Natal	Dec-16	10 030	Feb-18	11 069	Industrial	57 154					
Mkondeni 2, KwaZulu-Natal	Dec-16	22 078	Jun-18	21 503	Industrial	59 071					
Pinetown 4, KwaZulu-Natal	Dec-16	1 419		1 312	Industrial	6 234					
Vereeniging, Gauteng	Dec-16	10 356		9 217	Industrial	84 406					
Alrode 2, Gauteng	Dec-16	5 937	Feb-19	5 473	Industrial	33 787					
Germiston 3, Gauteng	Dec-16	1 996	Feb-20	1 918	Industrial	12 598					
Prospecton 6, KwaZulu-Natal	Dec-16	3 102	Feb-20	3 019	Industrial	8 420					
Westonaria 1, Gauteng	Dec-16	426	Feb-20	459	Industrial	2 296					
White River, Nelspruit	Dec-16	168	Feb-19	126	Industrial	1 614					
Mobeni 2, KwaZulu-Natal	Dec-16	11 958	Feb-18	11 163	Industrial	33 845					
Midrand 1, Gauteng	Dec-16	2 778	Feb-18	3 059	Industrial	8 596					
Midrand 2, Gauteng	Dec-16	3 232	Feb-19	3 700	Industrial	15 544					
Roodekop 5, Gauteng	Dec-16	2 033	Feb-20	1 457	Industrial	38 426					
Roodekop 6, Gauteng	Dec-16	8 716	Feb-19	9 466	Industrial	51 680					
Pinetown 5, KwaZulu-Natal	Dec-16	2 962	Feb-19	3 069	Industrial	11 767					
Clayville, Gauteng	Dec-16	6 085	Feb-20	5 439	Industrial	25 085					
Eastgate, Gauteng	Dec-16	1 114	Feb-19	1 228	Industrial	3 428					
Steeledale, Gauteng	Dec-16	1 314	Feb-19	1 105	Industrial	7 877					
Meyerton, Gauteng	Dec-16	1 357	Feb-20	1 446	Industrial	9 138					
Port Elizabeth, Eastern Cape	Dec-16	4 898	Feb-19	5 887	Industrial	30 193					
Westonaria 2, Gauteng	Dec-16	1 209	Feb-20	1 295	Industrial	13 020					
Mkondeni 3, KwaZulu-Natal	Dec-16	1 432	Feb-19	1 233	Industrial	12 713					
Tongaat 1, KwaZulu-Natal	Dec-16	6 453	Feb-20	8 893	Industrial	57 199					
Tongaat 2, KwaZulu-Natal	Dec-16	2 529	Feb-20	1 906	Industrial	10 159					
Wiganthorpe Road 17, KwaZulu-Natal	Dec-16	209	Feb-20	182	Industrial	1 100					
Pietermaritzburg 19, KwaZulu-Natal	Dec-16	426	Feb-18	489	Industrial	1 548					
Waterfall, KwaZulu-Natal	Dec-16	498	Feb-20	439	Industrial	2 977					
					Leisure: total	10 511	0.62%	7.91	0.00%	1.37%	17.02%
United Kingdom											
Cookridge Street, Leeds	Sep-06	2 752	Aug-17	2 903	Leisure	617					
Bolton – Ikon	Dec-15	247			Leisure						
Market Place, Bolton					Leisure	6 926					
25 Lime St, London					Leisure	133					
Ogden Road Industrial Estate, Doncaster					Leisure	2 835					

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 29 February 2020

Property schedule (continue)

Location	Effective date of acquisition	Purchase price	Date of last professional valuation	Value attributed	Sector	Gross lettable area ("GLA")	Gross lettable area	Weighted average monthly rental per square meter	Weighted average rental escalation	Revenue	Vacancy % of GLA
		(£'000)		(£'000)		(sq m)	(%)	(£)	(%)	(%)	(%)
					Offices: total	58 652	3.47%	5.60	5.49%	7.03%	7.54%
United Kingdom											
Cookridge Street, Leeds					Offices	585					
Grays Inn, London	Jun-14	6 628	Aug-17	10 100	Offices	672					
Tagwright House	Dec-14		Aug-17		Offices	619					
25 Lime St, London	Dec-14	6 424	Feb-19	10 623	Offices	841					
24 Lime St, London	Apr-14	5 758	Feb-19	10 134	Offices	619					
Park Place, Leeds	Apr-15	786	Aug-17	1 392	Offices	541					
Central House, Leeds (reallocated to Property, plant and equipment)	Dec-14	1 603			Offices	942					
Wigmore Street, London	Apr-14	5 360	Aug-17	7 000	Offices	418					
Westbourne Centre, Barrhead	Jan-00		Dec-17		Offices	1 304					
Carter Lane, London	Feb-17	11 661	Sep-18	16 200	Offices	1 301					
Connolly Works, London	Oct-17	13 350	Feb-19	19 400	Offices	1 586					
South Africa											
Fort Beaufort, Eastern Cape	Dec-16	532	Feb-20	274	Offices	863					
Berg Street 169, KwaZulu-Natal	Dec-16	1 155	Feb-19	604	Offices	1 878					
Pietermaritzburg 1, KwaZulu-Natal	Dec-16	893	Feb-18	454	Offices	1 399					
Pietermaritzburg 2, KwaZulu-Natal	Dec-16	1 171	Feb-20	853	Offices	1 000					
Pinetown 2, KwaZulu-Natal	Dec-16	2 438	Feb-19	1 572	Offices	6 072					
Jabu Ndlovu Street 166, KwaZulu-Natal	Dec-16	1 465	Feb-17	399	Offices under construction	2 226					
Hilton 1, KwaZulu-Natal	Dec-16	3 316	Feb-18	2 186	Offices	2 587					
Pinetown 6, KwaZulu-Natal	Dec-16	1 708	Feb-20	1 372	Offices	3 960					
Hilton 2, KwaZulu-Natal	Dec-16	2 268	Feb-20	1 587	Offices	1 998					
Hilton 3, KwaZulu-Natal	Dec-16	1 335	Feb-19	684	Offices	1 774					
Hilton 4, KwaZulu-Natal	Feb-19	117		109	Offices						
Longmeadow 2, Gauteng	Dec-16	3 021	Feb-19	3 368	Offices	6 888					
Umhlanga Ridge, KwaZulu-Natal	Dec-16	6 509	Feb-18	4 102	Offices	4 851					
Hilton 5, KwaZulu-Natal	Dec-16	2 010	Feb-19	1 981	Offices	2 910					
Hilton 6, KwaZulu-Natal	Dec-16	983	Feb-20	1 000	Offices	1 774					
Vryheid, KwaZulu-Natal	Dec-16	711	Feb-18	394	Offices	1 372					
De Tijger 1, Western Cape	Jan-18	4 830			Offices	1 125					
De Tijger 2, Western Cape	Jan-18	11	Feb-20	4 691	Offices	5 448					
Wilgeheuwel, Gauteng	Aug-19	1 777		1 777	Offices	1 101					
					Retail: total	224 853	13.29%	6.24	4.67%	25.01%	6.62%
United Kingdom											
Ogden Road Industrial Estate, Doncaster	Dec-06	3 465	Aug-17	3 197	Retail	3 351					
Westbourne Centre, Barrhead	Oct-05	4 050	Dec-17	1 394	Retail	2 001					
Bitterne, Southampton	Sep-04	1 756	Aug-17	2 126	Retail	1 563					
High Street, Bromsgrove	Sep-04	1 272	Aug-17	823	Retail	1 703					
24 Lime St, London	Dec-14		Feb-19		Retail	244					
25 Lime St, London	Apr-14		Feb-19		Retail	17					
St Catherine's Perth	Jun-11	12 132	Aug-17	3 713	Retail	6 039					
Market Place, Bolton	Nov-13	24 860	Feb-20	55 207	Retail	30 147					
Rutherglen	May-12	7 700	Feb-20	11 859	Retail	9 633					
Zambia											
Plot 729, Cairo Road, Lusaka, Zambia	Mar-15	2 454		2 715	Retail	5 412					
Plot 12, Cairo Road, Lusaka, Zambia	Mar-15	1 416		6	Retail	1 640					

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
Mozambique											
Pemba shopping centre	Jan-17			10 288	Retail	6 041					
Namibia											
Rundu Shopping Mall, Rundu	Mar-15	11 271	Feb-20	10 604	Retail	13 595					
Mega Centre, Windhoek	Mar-15	7 934	Feb-20	8 159	Retail	17 684					
Mutual Platz, Windhoek	Mar-15	14 480	Feb-20	10 729	Retail	16 223					
M&Z Ondangwa	Mar-15	660	Feb-20	655	Retail	2 128					
Gobabis Shopping Centre	Mar-18	1 123		6 926	Retail	10 215					
South Africa											
Church Street 178, KwaZulu-Natal	Dec-16	222	Feb-17	220	Retail	398					
Pietermaritzburg 3, KwaZulu-Natal	Dec-16	665	Feb-20	459	Retail	887					
Pietermaritzburg 4, KwaZulu-Natal	Dec-16	262	Feb-20	484	Retail	973					
Pietermaritzburg 5, KwaZulu-Natal	Dec-16	480	Feb-18	524	Retail	623					
Pietermaritzburg 6, KwaZulu-Natal	Dec-16	475	Feb-19	479	Retail	1 108					
Pietermaritzburg 7, KwaZulu-Natal	Dec-16	285	Feb-17	140	Retail	605					
Pietermaritzburg 8, KwaZulu-Natal	Dec-16	471	Feb-20	240	Retail	310					
Pietermaritzburg 9, KwaZulu-Natal	Dec-16	935	Feb-17	719	Retail	1 200					
Pietermaritzburg 10, KwaZulu-Natal	Dec-16	690	Feb-20	459	Retail	496					
Pietermaritzburg 11, KwaZulu-Natal	Dec-16	512	Feb-19	704	Retail	801					
Pietermaritzburg 12, KwaZulu-Natal	Dec-16	236	Feb-20	253	Retail	1 256					
Pietermaritzburg 13, KwaZulu-Natal	Dec-16	329	Feb-18	474	Retail	678					
Mkuze, KwaZulu-Natal	Dec-16	1 015	Feb-20	299	Retail	3 026					
Ulundi 1, KwaZulu-Natal	Dec-16	1 871	Feb-20	1 672	Retail	4 476					
Pietermaritzburg 14, KwaZulu-Natal	Dec-16	300	Feb-20	434	Retail	1 316					
Pietermaritzburg 15, KwaZulu-Natal	Dec-16	1 159	Feb-18	1 128	Retail	3 033					
Pietermaritzburg 16, KwaZulu-Natal	Dec-16	131	Feb-20	153	Retail	485					
Durban North 1, KwaZulu-Natal	Dec-16	1 758	Feb-19	1 976	Retail	959					
Durban North 2, KwaZulu-Natal	Dec-16	1 488	Feb-20	1 482	Retail	1 337					
Durban North 3, KwaZulu-Natal	Dec-16	841	Feb-20	604	Retail	630					
Durban North 4, KwaZulu-Natal	Dec-16	2 021	Feb-18	1 752	Retail	2 489					
Nongoma, KwaZulu-Natal	Dec-16	1 427	Feb-20	1 517	Retail	3 729					
Matatiele 1, Eastern Cape	Dec-16	4 525	Feb-18	4 761	Retail	6 743					
Matatiele 2, Eastern Cape	Dec-16	1 971	Feb-20	1 792	Retail	3 146					
Mpumalanga West, KwaZulu-Natal	Dec-16	1 044	Feb-20	1 133	Retail	2 467					
Ulundi 2, KwaZulu-Natal	Dec-16	2 185	Feb-17	2 909	Retail	3 966					
Nongoma 2, KwaZulu-Natal	Feb-20	2 445		2 445	Retail	4 161					
Nquthu 1, KwaZulu-Natal	Dec-16	2 617	Feb-20	1 552	Retail	4 895					
Roodepoort 2, Gauteng	Dec-16	1 299	Feb-20	1 642	Retail	6 222					
Ulundi 3, KwaZulu-Natal	Dec-16	1 822	Feb-20	1 505	Retail	2 772					
Pietermaritzburg 17, KwaZulu-Natal	Dec-16	669	Feb-20	619	Retail	2 210					
Pietermaritzburg 18, KwaZulu-Natal	Dec-16	3 714	Feb-20	2 892	Retail	10 665					
West Street 448, KwaZulu-Natal	Dec-16	1 915	Feb-20	1 537	Retail	1 485					
West Street 452, KwaZulu-Natal	Dec-16	2 991	Feb-20	2 510	Retail	3 235					
Langa, Western Cape	Apr-19	1 273		1 273	Retail	2 277					
Nkandla, KwaZulu-Natal	Apr-18	739		739	Retail	1 514					
Nquthu 2, KwaZulu-Natal	Oct-19	1 712		1 712	Retail	3 147					
Mamelodi, Gauteng		50		50	Retail under construction						
Madadeni, KwaZulu-Natal	Nov-19	3 897		3 897	Retail	7 498					
Pontac Park, Western Cape		93		93	Retail under construction						

PROPERTY PORTFOLIO ANALYSIS (CONTINUED)

As at 29 February 2020

Property schedule (continue)

Location	Effective date of acquisition	Purchase price (£'000)	Date of last professional valuation	Value attributed (£'000)	Sector	Gross lettable area ("GLA") (sq m)	Gross lettable area (%)	Weighted average monthly rental per square meter (£)	Weighted average rental escalation (%)	Revenue (%)	Vacancy % of GLA (%)
					Residential: total	6 813	0.40%	8.21	0.00%	1.04%	76.28%
United Kingdom											
Tagwright House	Dec-14	13 370	Aug-17	18 245	Residential	1 086					
119-125 Marygate, Berwick upon Tweed	Oct-03	387		75	Residential	197					
Avonview Apartments, London	Jul-16	5 134	Aug-17	5 200	Residential	530					
Mozambique											
Tete Hollow, Tete	Mar-15	2 220		127	Residential	5 000					
South Africa											
Mzuri Residential, Somerset West, Western Cape				9 146	Residential under construction						
				679 506		1 691 344	100%			100%	2.11%

The average annualised gross rental yield of the above properties amounts to 8.97%

Tenant profile

	%
A – Large nationals, large listeds,and major franchisees	34.1%
B Government	3.4%
C – Nationals, listeds, franchisees	12.5%
D – Medium to large professional firms	4.7%
E – Private commercial tenants	42.2%
F – Private residential tenants	3.1%
	100%

Lease expiry profile based on revenue

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	2.9%	3.4%	7.8%	51.5%
Leisure	0.0%	0.0%	0.0%	1.4%
Offices	0.8%	1.9%	1.1%	3.1%
Retail	5.4%	4.8%	2.6%	12.3%
Residential	0.7%	0.3%	0.0%	0.0%
	9.8%	10.4%	11.5%	68.3%

Lease expiry profile based on gross lettable area

	Within 1 year (%)	Within 2 years (%)	Within 3 years (%)	Thereafter (%)
Industrial	10.1%	4.6%	8.1%	59.3%
Leisure	0.1%	0.0%	0.0%	0.5%
Offices	1.1%	0.7%	0.4%	1.3%
Retail	2.3%	2.2%	1.4%	7.4%
Residential	0.4%	0.0%	0.0%	0.0%
	14.1%	7.5%	9.9%	68.6%

SHAREHOLDERS' PROFILE

Tradehold Limited and its subsidiaries at 28 February 2021

	Number of holders	Percentage of shareholders	Number of shares held	Percentage holding
Distribution of shareholders				
Non-public shareholders				
Directors – direct	3	0.23	708 220	0.27
Directors and associates of directors – indirect	10	0.77	172 173 338	65.88
Prescribed officers – direct and indirect	2	0.15	1 664 600	0.64
Public shareholders	1 284	98.85	86 800 412	33.21
Total	1 299	100.00	261 346 570	100.00

	Number of shares held	Percentage holding
Major shareholders		
Granadino Investments (Pty) Ltd	100 409 386	38.4
Redbill Holdings (Pty) Limited	33 767 103	12.9
Titan Global Investments (Pty) Ltd	31 000 893	11.9
Teez Away Trading (Pty) Limited	29 666 226	11.4
H Collins and Son (Pty) Limited	15 224 977	5.8

Directors' interest

At 28 February 2021 the interest of the directors and prescribed officers in the issued shares in the company were as follows:

	Direct	Indirect including associates	Total 2021	Total 2020
K R Collins	484 865	33 767 103	34 251 968	34 251 968
F H Esterhuyse	—	3 123 412	3 123 412	3 102 612
D A Harrop	—	—	—	—
K L Nordier	209 913	—	209 913	203 413
LL Porter	—	—	—	
M J Roberts	—	—	—	—
K A Searle	9 913	1 654 687	1 664 600	1 664 600
H R W Troskie	—	—	—	—
T A Vaughan	13 442	522 656	536 098	536 098
C H Wiese	—	134 727 425	134 727 425	131 052 692
J D Wiese	—	32 742	32 742	32 742
	718 133	173 828 025	174 546 158	170 844 125

There have been no changes in the interest of the directors between 28 February 2021 and the date of approval of these annual financial statements.

DIRECTORATE AND ADMINISTRATION

Directorate

CH Wiese (79) †
B A, LL B, D Com (HC)
Chairman

KR Collins (50) +

LL Porter (69) *º
B A, BSc, DPhil, FBCS, CITP

MJ Roberts (74) *+º
B A

HRW Troskie (51) *+
B Juris, LL B, LL M

JD Wiese (40) †
B A, LL B, M Com
alternate to C H Wiese

TA Vaughan (55) #
B Sc Hons, MRICS

FH Esterhuyse (51) #
B Acc, B Acc Hons, M Com, CA(SA)

KL Nordier (54) #º
B Acc, B Acc Hons, CA (SA)
Financial director

DA Harrop (51) #
B A Hons, ACA

PJ Roelofse (43) †
BAcc (Cum Laude), BAcc Hons, CA(SA), CFA

Resignation of director and changes to Board

In compliance with paragraph 3.59 of the Listings Requirements of the JSE Limited, Tradehold shareholders are advised that Mr David Anthony Harrop has resigned from the Board with effect from 20 May 2021.

The following changes to the Tradehold Board occurred during the financial year: Mr Paul Johannes Roelofse was appointed as an independent non-executive director to the Board with effect from 10 November 2020.

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

Administration

Company secretary
PJ Janse van Rensburg
Suite 1603 Portside Building
4 Bree Street
Cape Town 8001

Sponsor
Questco Corporate Advisory (Pty) Ltd
Ground Floor
Block C
Investment Place
10th Road
Hyde Park 2196

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

Registered office/number
Tradehold Limited
Registration number 1970/009054/06
Incorporated in the Republic of South Africa
36 Stellenberg Road
Parow Industria 7493
PO Box 6100
Parow East 7501
Telephone: +27 21 929 4880
Facsimile: +27 21 929 4785

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

Auditors
PricewaterhouseCoopers Inc

FORM OF PROXY

Tradehold Limited
Registration number 1970/009054/06
Incorporated in the Republic of South Africa
JSE Code: TDH ISIN: ZAE000152658
("Tradehold" or "the Company")

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

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

For use at the AGM to be held at 11:00 on Thursday, 5 August 2021.

Shareholders who have dematerialised their shares with a CSDP or broker, other than with "own name" registration, must arrange with the CSDP or broker concerned to provide them with the necessary authorisation to attend the electronic AGM. This must be done in terms of the custody agreement entered into between the shareholder and the CSDP or broker concerned.

Dematerialised Shareholders, other than dematerialised Shareholders with "own-name" registrations, must not return this form of proxy to the Company's transfer secretaries or deliver it to the chairman of the AGM.

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

of (full address)

as a Shareholder, being the registered holder of ordinary shares in the Company, hereby appoint:

1. or

2. or

3. THE CHAIRMAN OF THE MEETING

as my/our proxy to attend and speak on my/our behalf at the electronic AGM to be held at 11:00 on Thursday, 5 August 2021and at any adjournment thereof:

Indicate with an X in the appropriate block:

Ordinary resolutions		**In favour of**	**Against**	**Abstain**
Adoption of the audited annual financial statements	1.			
Re-appointment of PricewaterhouseCoopers Inc	2.			
Re-appointment of Mr HRW Troskie to the Board	3.			
Re-appointment of Mr. MJ Roberts to the Board	4.			
Re-appointment of Mr. P Roelofse to the Board	5.			
General authority to directors to issue shares for cash	6.			
General authority to issue unspecified preference shares	7.			
Election of members of audit committee	8.			
Non-binding advisory vote on the remuneration policy of the Company	9.			
Non-binding advisory vote on the remuneration implementation report of the Company	10.			
General authority of the directors	11.			
Special resolutions				
Confirmation of the directors' remuneration	1.			
Financial assistance in terms of section 45	2.			
Financial assistance in terms of section 44	3.			
General authority to acquire shares in terms of sections 46 and 48	4.			

Signed at this day of 2021

Signature

FORM OF PROXY (CONTINUED)

NOTES

1. Participants connecting to the AGM will be able to participate in the AGM but will not be able to cast their votes electronically at the AGM. Accordingly, and in order for their votes to be recorded, certificated Shareholders and dematerialised Shareholders with "own name" registration making use of the electronic participation facility must submit their duly completed forms of proxy to the Company's Transfer Secretaries by email to: proxy@computershare.co.za as soon as possible but before commencement of the AGM. Dematerialised Shareholders, other than those with "own name" registration, making use of the electronic participation facility must provide instructions to their duly appointed central securities depository participant ("CSDP") or broker, as soon as possible but before commencement of the AGM.
2. A Shareholder entitled to attend the AGM shall be entitled to appoint one or more persons, who need not be Shareholder, as his proxy to attend and speak in his place.
3. A proxy may not delegate the proxy's authority to act on behalf of the Shareholder to another person, unless the right to delegate is specifically contained in the proxy form and the delegation occurs by way of a further proxy form which itself complies with the requirements of the Act and the MOI.
4. A proxy form which complies with the Act and the MOI shall, if the AGM is adjourned or postponed, unless the contrary is stated thereon, be valid at the AGM when it resumes after such adjournment or commences after such postponement, even if it had not been lodged timeously for use at the AGM as originally scheduled (prior to the adjournment or postponement).
5. Subject to the provisions of the Act, a proxy instrument may be an instrument created or transmitted by electronic or other means, including electronic mail or facsimile
6. If the proxy is signed under power of attorney or on behalf of a company, such power or authority, unless previously registered with the Company, must accompany it.
7. Shareholders who have dematerialised their shares with a CSDP or stockbroker, other than own name registration, must arrange with the CSDP or stockbroker concerned to provide them with the necessary authorisation to attend the AGM. This must be done in terms of the custody agreement entered into between the Shareholder and the CSDP or stockbroker concerned.
8. Any alteration to the form of proxy must be signed, not initialled.
9. Any one of the joint holders of any share may vote by proxy at the AGM in respect of that share as if he were solely entitled to exercise that vote, and, if more than one of those joint holders is present at the AGM, the joint holder who tenders a vote (including an abstention) and whose name stands in the securities register of the Company before the other joint holders who are present, in person or by proxy, shall be the joint holder who is entitled to vote in respect of the relevant share.
10. The completion and lodging of this form of proxy will not preclude the signatory from attending the electronic AGM and speaking thereat to the exclusion of any proxy appointed in terms hereof should such signatory wish to do so.
11. Forms of proxy must be deposited at Computershare Investor Services Proprietary Limited, Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196, South Africa (Private Bag X9000, Saxonwold, 2132, South Africa) or email to: proxy@computershare.co.za, so as to arrive by no later than 48 hours before the commencement of the AGM for administration purposes. Clause 23.7 of the MOI grants the Board or the chairperson 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.

Summary of rights established by section 58 of the Act, as required in terms of sub-section 58(8)(b)(i):

1. A shareholder may at any time appoint any individual, including a non-shareholder of the company, as a proxy to participate in, speak and vote at a shareholders' meeting on his/her behalf, or to give or withhold consent on behalf of the shareholder to a decision in terms of section 60. [section 58(1)(a) & (b)]
2. A proxy appointment must be in writing, dated and signed by the shareholder, and remains valid for one year after the date on which it was signed or any longer or shorter period expressly set out in the appointment, unless it is revoked in terms of paragraph 6.3 below or expires earlier in terms of paragraph 10.4 below. [section 58(2)]
3. A shareholder may appoint two or more persons concurrently as proxies and may appoint more than one proxy to exercise voting rights attached to different securities held by the shareholder. [section 58(3)(a)]
4. A proxy may delegate his/her authority to act on behalf of the shareholder to another person, subject to any restriction set out in the instrument appointing the proxy ("proxy instrument"). [section 58(3)(b)]
5. A copy of the proxy instrument must be delivered to the company, or to any other person acting on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting and in terms of the MOI. [section 58(3)(c)]
6. Irrespective of the form of instrument used to appoint a proxy:
   - 6.1. the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder; [section 58(4)(a)]
   - 6.2. the appointment is revocable unless the proxy appointment expressly states otherwise; and [section 58(4)(b)]
   - 6.3. if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or by making a later, inconsistent appointment of a proxy, and delivering a copy of the revocation instrument to the proxy and to the company. [section 58(4)(c)]
7. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument was delivered as contemplated in paragraph 6.3 above. [section 58(5)]
8. If the proxy instrument has been delivered to a company, as long as that appointment remains in effect, any notice required by the Act or the MOI to be delivered by the company to the shareholder must be delivered by the company to the shareholder, or the proxy or proxies, if the shareholder has directed the company to do so in writing and paid any reasonable fee charged by the company for doing so. [section 58(6)(a) & (b)]
9. A proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction, except to the extent that the MOI or proxy instrument provides otherwise. [section 58(7)]
10. If the company issues an invitation to shareholders to appoint one or more persons named by the company as a proxy, or supplies a form of proxy instrument:
    - 10.1. the invitation must be sent to every shareholder entitled to notice of the meeting at which the proxy is intended to be exercised; [section 58(8)(a)]
    - 10.2. the invitation or form of proxy instrument supplied by the company must:
      - 10.2.1. bear a reasonably prominent summary of the rights established in section 58 of the Act; [section 58(8)(b)(i)]
      - 10.2.2. contain adequate blank space, immediately preceding the name(s) of any person(s) named in it, to enable a shareholder to write the name, and if desired, an alternative name of a proxy chosen by the shareholder; and [section 58(8)(b)(ii)]
      - 10.2.3. provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution(s) to be put at the meeting, or is to abstain from voting; [section 58(8)(b)(iii)]
    - 10.3. the company must not require that the proxy appointment be made irrevocable; and [section 58(8)(c)]
    - 10.4. the proxy appointment remains valid only until the end of the meeting at which it was intended to be used, subject to paragraph 7 above. [section 58(8)(d)]

TRADEHOLD LTD