



("Tradehold" or "the company" or "the group")
(Registration number 1970/009054/06)
JSE share code: TDH
ISIN: ZAE000152658

INTERIM CONDENSED CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS FOR THE SIX MONTHS TO 31 AUGUST 2015

Although listed on the JSE, by far the greater part of Tradehold's operating assets is outside South Africa – mostly in the UK but also in Africa outside South Africa. For this reason the company reports its results in pound sterling. Its assets are in property and, to a lesser extent, in financial services. It holds its property assets in the UK through a 95% interest in the Moorgarth group, the dominant component of the business, and in Africa through a 100% holding in Tradehold Africa. Its financial services interests are vested in companies in the UK and in South Africa. In the UK it has, through the Reward group, an interest of 70% in the two main operating Reward companies, Reward Capital and Reward Invoice Finance, while in South Africa it wholly-owns the multi-faceted Mettle Investments.

FINANCIAL PERFORMANCE

In the six months to August 2015, Tradehold continued its growth from the previous financial year end by increasing total assets by 45% from £207.5 million to £300.8 million. The value of its investment properties increased from £120.5 million to £179.4 million. This was boosted by the acquisition in March this year of a portfolio of commercial property assets to the value of £40.85 million mostly in Namibia but also in Botswana, Zambia, Mozambique and the UK from the Collins Group of KwaZulu-Natal. The Collins group and its affiliates used the proceeds to subscribe for shares in Tradehold. Through the transaction Tradehold also gained access to the resources and property expertise of the Collins Group in certain African countries. Net asset value per share increased by 6% to 82.9 pence per share in the six month period.

Tradehold reported revenue growth of 21% from £10.1 million to £12.2 million against the corresponding period last year. On this income it achieved an operating profit which at £9.1 million was 73% higher than in the corresponding period. Total profit for the six months stood at £7.8 million (2014: £3.9 million).

BUSINESS ENVIRONMENT

In the period under review, the UK experienced robust economic growth, low inflation and improving labour market conditions. Consumer confidence was at its highest level since 2008, also because of rising household disposable income. In July retail sales had increased for 28 consecutive months which led to a lively demand for retail space. Central London led the way in the demand for office space resulting in rental increases across the city. The demand for investment property rose accordingly. The high cost of City properties has, however, also stimulated interest in regional areas, particularly in office and industrial sectors.

In Africa, the economies of Namibia and Mozambique performed well and we are developing in those countries with confidence. However, we are at present proceeding with caution in Zambia where the economy has been severely disrupted by a power-supply crisis, reduced agricultural output due to drought and dramatically lower commodity prices.

PROPERTY

Moorgarth

In June this year Moorgarth made its biggest acquisition to date when, through a new vehicle, Inception Reading Sarl, it acquired the Broad Street Mall in Reading for £65.4 million in a joint venture with its South African joint venture partner Texton Property Fund Ltd. The value of Moorgarth's total portfolio, which now consists of 30 properties, stands at £159.5 million if its share of the Broad Street Mall is included. It produced turnover of £6.7 million for the period compared to £5.8 million for the corresponding six months on which it earned an operating profit of £2.4 million (2014: £2.1 million).

Aside from acquiring Reading, the company focused on maximising the income from its existing assets. Seven of its properties are at present being redeveloped or refurbished while substantial lettings have been concluded particularly in the group's regional shopping centre in Greater Manchester where development work is continuing. The Boutique Workplace Company, Moorgarth's serviced office business, has continued to operate successfully. It has agreed terms to acquire a rival operator.

Tradehold Africa

The company's focus since the start of the reporting period has been on three countries – Namibia, Mozambique and Zambia. In Namibia, work is progressing on a number of retail developments in various parts of the country: the second phase of the Rundu Mall in the north of the country is nearing completion; construction has started on the Dunes Mall in Walvis Bay; land is being secured for a large mall in Oshakati, also in the north, while agreement has been reached for the acquisition of a retail property anchored by Shoprite in Gobabis in the east together with the adjacent land for the development of a retail mall.

Good progress has been made with the Cognis residential development in Maputo in Mozambique, and the first phase is to be handed to the US Embassy and the American oil and gas exploration company Anadarko at the end of February next year. The second phase is to be completed by October 2016. Investigation into the development of a regional shopping and office complex in Beira in the north is underway.

FINANCIAL SERVICES

Reward

Of the two main operating Reward companies, Reward Capital focuses on short-term, asset-backed loans to small and medium-sized businesses while Reward Invoice Finance provides invoice-discounting facilities to similar businesses. Despite a number of new entrants in the short-term secured lending market, Reward Capital continued to see strong deal flow with no decline in the quality of potential loans. The effective withdrawal of bank overdrafts to SMEs means that such businesses will continue to need short-term funding.

The two businesses produced a combined turnover of £3.1 million (2014: £2.4 million) on which they generated a pre-tax profit of £1.4 million (2014: £1.2 million). The increased turnover, primarily interest income, reflected the growth in the Reward loan book by 44% from £19.5 million at the previous financial year-end to £28.2 million.

Mettle

Mettle Investments, which was acquired by Tradehold in March 2014 as an extension of its financial services portfolio, offers a range of products and services such as debtor and SME finance; incremental housing finance and corporate finance advisory service. During the year it established Mettle Solar, which rents out solar photovoltaic systems. It is in the process of finalising the acquisition of 50% of Sustainable Power Solutions, an engineering company involved in all Mettle Solar's projects. During the review period it also increased its holding in Lendcor by 49.9% and now owns, directly and indirectly, an effective 64.9% of that company.

In the six months to end August Mettle generated a net after-tax profit of £378 783.

COMMENTS ON THE RESULTS

The non-core UBS AG shares were all disposed of during the period, resulting in a gain of £1.9 million:

(£'million)	Unaudited 6 months to 31/08/15	Audited 12 months to 28/02/15
Fair-value adjustment of UBS AG shares	—	(0.9)
Gain on disposal of UBS AG shares	1.9	—

The Moorgarth joint venture with Texton Property Fund Ltd for the acquisition of the Broad Street Mall in Reading, has been classified as a joint venture under IFRS 11 and accounted for under the equity method.

DIVIDEND

The board has decided not to declare an interim dividend.

SHARE ISSUE

On 15 June 2015 Tradehold issued 3 200 000 shares to the former shareholders of Mettle, in settlement of the deferred consideration owing by it in terms of the Mettle acquisition in 2014.

On 28 August 2015 Tradehold issued 26 327 171 shares to various subscribers related to the Collins group and its affiliates, in settlement of the consideration for the acquisition of the commercial property portfolio of the Collins group and its affiliates, and a further 2 579 854 shares are expected to be issued before the financial year end in settlement of the deferred consideration owing in terms of this acquisition. The assets acquired comprise investment properties valued at £40.85 million and an interest in a property fund valued at £5.6 million.

DEVELOPMENTS AFTER THE END OF THE REPORTING PERIOD

Moorgarth is in negotiations to acquire a complementary business to its serviced office operation.

OUTLOOK

Should the markets in which it operates remain stable, the board expects Tradehold to continue growing in the second half. A number of substantial projects, especially in Africa, have been initiated in the period under review which bode well for the future. We already have a solid base from which to grow, especially in Namibia, where we have become a major property owner and developer. In the UK, Moorgarth is growing in stature as a real estate owner and asset manager by extending its base not only geographically but also in terms of the services it offers in a property context. Strengthening its presence in the Central London market was in our view an important step in achieving this.

Although not the primary focus of the business, we have much faith in the long-term viability of the two Reward businesses, while Mettle not only extends the range of financial services but through Mettle Solar opens up new avenues for growth.

This general forecast has not been reviewed nor reported on by the group's auditors.

ACCOUNTING POLICY

The consolidated interim financial information is prepared in accordance with the requirements of the JSE Limited Listings Requirements for interim reports, and the requirements of the Companies Act, 2008 (Act No 71 of 2008).

The JSE Listings Requirements require interim reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ("IFRS") and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting. The accounting policies applied in the preparation of the consolidated interim financial statements, are in terms of International Financial Reporting Standards and are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements, except for the adoption of the following new standards, amendments to publicised standards and interpretations that became effective for the current reporting period beginning on 1 March 2015:

Amendments to IAS 19, 'Employee Benefits'

The amendment provides for the further distinction between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. It allows contributions linked to service which do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided, while contributions linked to service which do vary with the length of employee service, must be spread over the service period. The benefit of employee contributions linked to the length of service must be recognised in profit or loss over the employee's working life.

ACCOUNTING POLICY (continued)

Annual Improvements 2010-12 cycle

IFRS 8 Operating segments: this amendment requires the disclosure of management judgements when aggregating operating segments, and a reconciliation of segment assets to entity's assets.

IFRS 13 Fair value measurements: this amendment clarifies that entities are still permitted to measure short-term receivables and payables at invoice amounts where the impact of not discounting is immaterial.

IAS 16 Property, plant and equipment, and IAS 38 Intangible assets: these amendments clarify the treatment of the gross carrying amount and the accumulated depreciation when an entity uses the revaluation model.

IAS 24 Related party disclosures: this amendment includes as a related party an entity that provides key management personnel services to the reporting entity or its parent.

Annual Improvements 2011-13 cycle

IFRS 1 First time adoption of IFRS: this amendment clarifies that a first-time adopter can use either the old or new version of a standard, if the new version is not yet mandatory.

IFRS 3 Business combinations: this amendment clarifies that the standard does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the financial statements of the joint arrangement itself.

IFRS 13 Fair value measurement: this amendment clarifies that the permitted measurement of the fair value of a group of financial assets and financial liabilities on a net basis, applies to all contracts within the scope of IAS 39 or IFRS 9.

IAS 40 Investment property: this amendment clarifies that IFRS 3 should be applied to determine if an acquisition of an investment property is a business combination.

PREPARATION OF FINANCIAL RESULTS

The preparation of the financial results was supervised by the group financial director, Karen Nordier BAcc, BCompt Hons, CA(SA). The condensed consolidated interim results for the six months ended 31 August 2015 have not been audited or independently reviewed by the group's external auditors, PricewaterhouseCoopers Inc.

REPORTING CURRENCY

As the operations of most of Tradehold's subsidiaries are conducted in pound sterling, the company reports its results in this currency.

H R W Troskie
Acting Chairman

K L Nordier
Director

Malta
5 November 2015

STATEMENT OF COMPREHENSIVE INCOME

(£'000)	Unaudited 6 months to 31/08/15	Unaudited 6 months to 31/08/14	Audited 12 months to 28/02/15
Revenue	12 206	10 052	20 731
Other operating income	4 085	—	1 637
Profit on disposal of investment properties	—	905	1 359
Net gain from fair value adjustment on investment property	628	1 685	2 156
Loss on disposal and scrapping of PPE (excluding buildings)	—	—	(134)
Employee benefit expenses	(1 317)	—	(4 155)
Lease expenses	(297)	—	(613)
Depreciation, impairment and amortisation	(158)	(193)	(372)
Other operating costs	(7 548)	(6 158)	(8 597)
Trading profit	7 599	6 291	12 012
Gain/(loss) on disposal/(purchase) of investments	—	—	1 117
Impairment of goodwill	—	—	(1 288)
Gain on disposal of financial assets	1 919	—	—
Fair value (loss)/gain through profit or loss	(372)	(1 008)	(886)
Operating profit	9 146	5 283	10 955
Finance income	1 868	87	809
Finance cost	(2 846)	(377)	(2 289)
Profit from joint venture	80	—	—
Profit from associated companies	159	72	165
Profit before taxation	8 407	5 065	9 640
Taxation	404	277	605
Profit for the year before non-controlling interest	8 003	4 788	9 035
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Net fair value loss on hedging instruments entered into for cash flow hedges	—	—	(549)
Currency translation differences	(4 170)	(76)	(161)
Total comprehensive income for the year	3 833	4 712	8 325
Profit attributable to:			
Owners of the parent	7 818	3 955	7 832
Non-controlling interest	185	833	1 203
	8 003	4 788	9 035
Total comprehensive income attributable to:			
Owners of the parent	3 648	3 879	7 259
Non-controlling interest	185	833	1 066
	3 833	4 712	8 325
Earnings per share (pence): basic			
– basic	4.2	2.7	5.1
– headline earnings (as required by IFRS)	3.9	1.2	3.3
– core headline earnings (as defined by entity)	3.1	3.4	5.4
Number of shares for calculation of earnings per share ('000)	185 412	144 315	153 143
Earnings per share (pence): diluted			
– diluted	4.2	2.6	5.0
– headline earnings (as required by IFRS)	3.8	1.2	3.3
– core headline earnings (as defined by entity)	3.1	3.3	5.4
Number of shares for calculation of diluted earnings per share ('000)	187 222	149 518	155 341

STATEMENT OF FINANCIAL POSITION

(£'000)	Unaudited 31/08/15	Unaudited 31/08/14	Audited 28/02/15
Non-current assets	208 730	105 833	133 399
Property, plant and equipment	5 207	5 476	5 186
Investment properties	179 397	92 640	120 552
Goodwill	3 562	3 996	2 306
Investment in joint venture	13 458	—	—
Investments in associates	2 483	99	1 544
Deferred taxation	124	164	261
Trade and other receivables	352	1 604	1 645
Loans receivable	4 147	1 854	1 905
Current assets	92 092	58 848	74 137
Financial assets	6 217	6 883	7 271
Loans receivable	1 580	58	—
Loans to associates	125	—	550
Trade and other receivables	40 359	26 162	31 968
Taxation	—	351	—
Cash and cash equivalents	43 811	25 394	34 348
Total assets	300 822	164 681	207 536
Equity	154 084	117 076	122 328
Ordinary shareholders' equity	153 933	115 956	122 244
Non-controlling interest	151	1 120	84
Non-current liabilities	105 330	28 038	63 901
Preference share capital	30 716	51	34 753
Long-term borrowings	62 882	20 554	19 792
Derivative financial instruments	6 325	—	2 314
Deferred revenue	5 198	5 158	4 818
Contingent consideration	83	2 143	2 064
Deferred taxation	126	132	160
Current liabilities	41 408	19 567	21 308
Short-term borrowings	27 000	10 983	12 529
Deferred consideration	1 779	2 473	—
Taxation	530	653	—
Bank overdrafts	—	—	206
Other current liabilities	12 099	5 458	8 573
Total equity and liabilities	300 822	164 681	207 537

STATEMENT OF CHANGES IN EQUITY

(£'000)	Unaudited 6 months to 31/08/15	Unaudited 6 months to 31/08/14	Audited 12 months to 28/02/15
Balance at beginning of the period	122 328	99 939	99 939
Issue of ordinary shares	25 644	13 177	13 614
Transactions with owner of the entity	264	(470)	(624)
Distribution to minorities	—	—	(883)
Disposal of subsidiary	—	—	(280)
Acquisition of subsidiaries	—	145	211
Contingent consideration recognised directly in equity	—	—	2 453
Deferred consideration recognised directly in equity	2 513	—	—
Dividends distributed to shareholders	(498)	(427)	(427)
Profit for the year	8 003	4 788	9 035
Other comprehensive income for the year	(4 170)	(76)	(710)
Balance at the end of the period	154 084	117 076	122 328

STATEMENT OF CASH FLOWS

(£'000)	Unaudited 6 months to 31/08/15	Unaudited 6 months to 31/08/14	Audited 12 months to 28/02/15
Cash flows from operating activities	1 999	3 848	9 034
Cash flows utilised in investing activities	(25 517)	(15 700)	(52 001)
Acquisition of investment properties	(18 663)	(20 612)	(50 723)
Acquisition of property, plant and equipment	(179)	(213)	(389)
Business combinations	2 933	579	625
Proceeds on disposal of investment properties	1 650	8 668	10 044
Proceeds on disposal of property, plant and equipment	—	—	39
Net proceeds on disposal of investment	9 191	—	(181)
Dividends received from associates	687	—	95
Loans advanced to joint venture	(13 378)	—	—
Loans repaid by/(advanced to) associate undertaking	863	—	(396)
Borrowings repaid	—	82	—
Loans and advances – issued	(35 615)	(21 574)	(55 461)
Loans and advances – repaid	26 994	17 370	44 346
Cash flows from financing activities	33 300	12 049	52 118
Proceeds from borrowings	33 300	1 412	7 549
Repayment of borrowings	—	—	(1 095)
Proceeds from ordinary share issue	—	11 323	11 276
Share buy-back from minority shareholder	—	—	(187)
Proceeds from preference share issue	—	—	35 674
Redemption of preference shares	—	(216)	(216)
Dividends to non-controlling interests	—	(470)	(883)
Net increase in cash and cash equivalents	9 782	197	9 151
Effect of changes in exchange rate	(113)	5	(201)
Cash and cash equivalents at beginning of the year	34 142	25 192	25 192
Cash and cash equivalents at end of the year	43 811	25 394	34 142
Cash and cash equivalents consists of:			
Cash and cash equivalents	43 811	25 394	34 348
Bank overdrafts	—	—	(206)
	43 811	25 394	34 142

NON CASH TRANSACTION

During the period under review the following non cash transactions took place:

- Purchase of the Collins group property portfolio

Refer to note 12 for detail of the transaction

- Tradehold Limited share issues

On 15 June 2015 3,200,000 Tradehold Limited shares were issued to the former Mettle Investments (Pty) Limited shareholders in settlement of the deferred purchase consideration.

SEGMENTAL ANALYSIS

(£'000)	Revenue	Trading profit/(loss)
Six months to 31 August 2015 (unaudited)		
Property		
– retail	4 502	2 745
– commercial	430	151
– offices	1 064	493
– leisure	1 738	276
– residential	276	137
– other	225	—
Short-term lending	3 971	2 537
Treasury	—	1 260
Other (describe)		
Other (describe)		
	12 206	7 599
Six months to 31 August 2014 (unaudited)		
Property		
– retail	3 569	3 825
– commercial	304	108
– offices	399	572
– leisure	1 553	139
– residential	—	—
– other	—	(46)
Short-term lending	4 227	1 997
Treasury	—	(304)
	10 052	6 291
Twelve months to 28 February 2015 (audited)		
Property		
– retail	6 900	5 447
– commercial	611	1 187
– offices	1 330	1 278
– leisure	3 057	111
– residential	87	209
– other	260	—
Short-term lending	8 486	4 456
Treasury	—	(676)
	20 731	12 012

SUPPLEMENTARY INFORMATION

(£'000)	Unaudited 6 months to 31/08/15	Unaudited 6 months to 31/08/14	Audited 12 months to 28/02/15
1. Depreciation for the period	158	193	372
2. Capital expenditure for the period	14 519	20 612	51 112
3. Calculation of headline earnings			
Net profit	7 818	3 955	7 832
Gain on revaluation of investment properties	(629)	(1 685)	(2 156)
Profit on disposal of investment properties	—	(905)	(1 359)
Gain from bargain purchase	—	—	(9)
(Profit)/loss on disposal/purchase of investments	—	—	(1 117)
Impairment of goodwill	—	—	1 288
Loss/(profit) on disposal of property, plant and equipment	—	—	134
Non-controlling interest	—	389	508
	7 189	1 754	5 121
4. Calculation of core headline earnings			
Headline profit	7 189	1 754	5 121
Gain on revaluation of investment properties	629	1 685	2 156
Profit on disposal of investment properties	—	905	1 359
Legal fee income	—	—	(782)
Loss/(profit) on fair value adjustment of financial assets	—	1 008	886
Profit on disposal of financial assets	(1 919)	—	—
Non-controlling interest	(33)	(389)	(410)
	5 866	4 963	8 330
5. Number of shares in issue ('000)	185 660	155 600	156 133
6. Net asset value per share (pence)	82.9	74.5	78.3
7. Financial assets			
Unlisted investments at fund managers valuation	6 217	—	—
Listed investments at fair value	—	6 883	7 271
	6 217	6 883	7 271
8. Contingent liabilities	480	480	480
9. Related parties			
During the period under review, in the ordinary course of business, certain companies within the Group entered into transactions with each other. All these intergroup transactions are similar to those in the prior year and have been eliminated in the interim financial statements on consolidation.			

SUPPLEMENTARY INFORMATION (continued)

10	Cashflow from operating activities			
	Operating profit/(loss)	9 146	5 283	10 955
	Non-cash items	(2 018)	(1 381)	(1 496)
	– depreciation	158	193	372
	– profit on disposal of investment properties	—	(905)	(1 359)
	– loss/(profit) on disposal of PPE	—	8	134
	– net gain on fair value adjustment on investment properties	(629)	(1 685)	(2 155)
	– fair value loss(gain) on financial assets at fair value	372	1 008	886
	– impairment of goodwill	—	—	1 288
	– impairment of loans	—	—	796
	– loss/(profit) on disposal of investments	(1 919)	—	(1 117)
	– release of provision for lease repair liabilities	—	—	(36)
	– other non-cash items	—	—	(305)
	– bargain purchase gain	—	—	—
	Changes in working capital	(4 941)	891	544
	– trade and other receivables	(6 333)	(305)	(2 664)
	– trade and other payables	1 392	1 196	3 208
	Cash used in operations	(188)	(945)	(969)
	– interest received	1 868	88	810
	– interest paid	(2 846)	(377)	(938)
	– dividends paid	(498)	(427)	(427)
	– taxation paid	1 288	(229)	(414)
	Net cash flows from operating activities	1 999	3 848	9 034
11.	Goodwill			
		Unaudited	Unaudited	Audited
	(£'000)	6 months to	6 months to	12 months to
		31/08/15	31/08/14	28/02/15
11.1	Cost	4 850	—	3 594
	Accumulated impairment losses	(1 288)	—	(1 288)
		3 562	—	2 306
11.2	Cost			
	Balance at beginning of year	3 594	—	—
	Acquired through business combinations	1 547	—	3 566
	Foreign currency translation movements	(291)	—	28
	Balance at end of year	4 850	—	3 594
11.3	Accumulated impairment losses			
	Balance at beginning of year	(1 288)	—	—
	Impairment losses recognised in the year	—	—	(1 288)
		(1 288)	—	(1 288)

SUPPLEMENTARY INFORMATION (continued)

11.4 Allocation of goodwill to cash-generating units

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

	Opening	Additions	Impairment	Foreign currency translation movements	Closing
Six months to 31 August 2015 (unaudited)					
SA short-term lending	2 287	—	—	(291)	1 996
UK property – commercial	—	489	—	—	489
Africa property – residential	19	1 058	—	—	1 077
Total	2 306	1 547	—	(291)	3 562

	Opening	Additions	Impairment	Foreign currency translation movements	Closing
Twelve months to 28 February 2015 (audited)					
SA short-term lending	—	3 575	(1 288)	—	2 287
Africa property – residential	—	19	—	—	19
Total	—	3 594	(1 288)	—	2 306

SUPPLEMENTARY INFORMATION (continued)

12. Business Combinations

On 18 March 2015 the group acquired a portfolio of commercial property assets in Botswana, Zambia, Namibia, Mozambique and the United Kingdom from Collins Property Projects Proprietary Limited and its affiliates (“Collins group”), and as a composite transaction the Collins group utilised the sale proceeds to subscribe for ordinary shares in Tradehold Limited. This is considered, in substance, to be a non-cash transaction. The subscribers are not permitted to dispose of more than 50% of the Tradehold Limited shares during a 5 year “lock-in” period.

As a result of the acquisition, the group has expanded its property interest in southern Africa (excluding South Africa), and has gained access to the resources and property expertise of the Collins group in Namibia, Botswana, Zambia and Mozambique to assist with the development of the group’s African portfolio.

Goodwill acquired has not yet been allocated to a cash-generating unit at the end of the period as accounting for the business combination is still provisional.

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

(£'000)	Unaudited 6 months to 31/08/15
Total consideration	28 157
Issuance of ordinary shares	25 644
Deferred consideration	2 513
Recognised amounts of identifiable assets acquired and liabilities assumed at provisional fair value	
Total assets	58 064
Investment property	45 348
Financial assets	5 626
Investment in associates	2 130
Cash and cash equivalents	2 932
Trade and other receivables	765
Tax receivables	1 263
Total liabilities	(31 453)
Borrowings	(28 738)
Deferred revenue	(59)
Tax creditor	(202)
Trade and other payables	(2 454)
Total identifiable net assets	26 611
Goodwill	1 546
Total consideration	28 157

Based on the information available, it was not possible to finalise the fair value measurement of the acquired assets and liabilities by 31 August 2015. The twelve-month period permitted under IFRS 3 for finalising purchase price allocations was used; it allows for provisional allocation of the purchase price to the individual assets and liabilities until the end of that period.

SUPPLEMENTARY INFORMATION (continued)

13. Fair value hierarchy

IFRS7 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 31 August 2015.

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss			
Securities	—	6 217	—
Non-financial assets at fair value through profit or loss			
Investment properties	—	—	179 397
Total assets	—	6 217	179 397
Liabilities			
Financial liabilities at fair value through profit and loss			
Contingent consideration	—	—	1 862
Trading derivatives			
Cross currency swap	—	5 776	—
Derivatives used for hedging	—	549	—
Interest rate contracts			
Financial liabilities at amortised cost			
Preference shares	30 716	—	—
Borrowings	—	—	89 882
Total liabilities	30 716	6 325	91 744

The following table presents the group's financial assets and liabilities that are measured at fair value at 28 February 2015.

Assets	Level 1	Level 2	Level 3
Financial assets at fair value through profit and loss			
Trading securities	7 271	—	—
Non-financial assets at fair value through profit or loss			
Investment properties	—	—	120 552
Total assets	7 271	—	120 552
Liabilities			
Financial liabilities at fair value through profit and loss			
Contingent consideration	—	—	2 064
Trading derivatives			
Cross currency swap	—	1 765	—
Derivatives used for hedging	—	549	—
Interest rate contracts			
Financial liabilities at amortised cost			
Preference shares	34 753	—	—
Borrowings	—	—	32 321
Total liabilities	34 753	2 314	34 385

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

The fair value of investment properties is based on rental yield valuations at the period-end. Should property yields increase by 1%, the valuations would be approximately £15 million lower. Should the property yields decrease by 1%, the valuations would be approximately £21 million higher.

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 period.

SUPPLEMENTARY INFORMATION (continued)

14. Fair value of financial instruments

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.

Directors and administration

Executive directors: TA Vaughan, FH Esterhuise, DA Harrop, KL Nordier

Non-executive directors: CH Wiese (alternate JD Wiese), HRW Troskie, JM Wragge, MJ Roberts

Independent non-executive directors: HRW Troskie, JM Wragge, MJ Roberts

Company secretary: FM ver Loren van Themaat

Transfer secretary: Computershare Investor Services (Pty) Ltd

Sponsor: Bravura Capital (Pty) Ltd