Zeno Capital Limited

(Registration number 1628131)
Group Annual Financial Statements
for the year ended 31 December 2015

These group annual financial statements were prepared by:
U Jensen
Group Financial Accountant

Certified Master Auditors (South Africa) Incorporated
Chartered Accountants (S.A.)
Registered Auditors

Issued 29 April 2016

General Information

Country of incorporation and domicile	Virgin Islands (British)
Nature of business and principal activities	Proprietary investments and property
Directors	A Vassilopoulos GR Poole CM Vining G Roussos
Registered office	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110
Business address	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110
Postal address	P.O. Box 3540 Road Town Tortola British Virgin Islands VG1110
Holding company	HBW Group Proprietary Limited incorporated in South Africa
Ultimate holding company	Supaluck Investments Proprietary Limited incorporated in South Africa
Bankers	Investec Private Bank
Auditors	Certified Master Auditors (South Africa) Incorporated Chartered Accountants (S.A.) Registered Auditors
Secretary	Totalserve Trust Company Limited
Company registration number	1628131
Preparer	The group annual financial statements were internally compiled by: U Jensen Group Financial Accountant
Issued	29 April 2016

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The reports and statements set out below comprise the group annual financial statements presented to the shareholders:

Preparer

U Jensen
Group Financial Accountant

Published

29 April 2016

Audit Committee Report

This report is provided by the audit committee appointed in respect of the 2015 financial year of Zeno Capital Limited.

1. Members of the Audit Committee

The members of the audit committee include:

Name	Qualification
A Vassilopoulos	
G Roussos	CA(SA)

The committee is satisfied that the members thereof have the required knowledge and experience.

2. Meetings held by the Audit Committee

The audit committee performs the duties as required by holding meetings with the key role players on a regular basis and by the unrestricted access granted to the external auditors.

3. External auditor

The audit committee has nominated Certified Master Auditors (South Africa) Incorporated as the independent auditor and George Davias as the designated partner, who is a registered independent auditor, for appointment of the 2015 audit.

The committee satisfied itself through enquiry that the external auditors is independent as per the standards stipulated by the auditing profession. Requisite assurance was sought and provided in terms of the BVI Business Companies Act, 2004 that internal governance processes within the firm support and demonstrate the claim to independence.

The audit committee in consultation with executive management, agreed to the terms of the engagement. The audit fee for the external audit has been considered and approved taking into consideration such factors as the timing of the audit, the extent of the work required and the scope.

4. Group Annual Financial Statements

Following the review of the group annual financial statements the audit committee recommend board approval thereof.

5. Accounting practices and internal control

The audit committee has monitored the system of internal financial control established by the company and ensured that the directors have placed considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, an audit committee charter is in place setting out the committee's roles and responsibilities. These include:
- reviewing accounting, auditing and financial reporting matters;
- ensuring an effective control environment is maintained;
- assessing adherence to controls;
- monitoring proposed changes in accounting policies;
- advising the board on the accounting implications of major transactions;
- recommending the appointment of external auditors for approval;
- assessing adherence to controls and systems within the company;
- monitoring and appraising internal operating structures and systems to ensure that these are maintained;
- establishing guidelines for recommending the use of external auditors for non-audit services.

Audit Committee Report

6. Financial reporting framework

The audit committee approves that the reporting framework used to prepare the financial statements, being International Financial Reporting Standards, is appropriate.

On behalf of the audit committee

George Roussos
Chairman Audit Committee

Johannesburg

22 April 2016

Directors' Responsibilities and Approval

The directors are required in terms of the BVI Business Companies Act, 2004 to maintain adequate accounting records and are responsible for the content and integrity of the group annual financial statements and related financial information included in this report. It is their responsibility to ensure that the group annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the group annual financial statements.

The group annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the group annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2016 and, in the light of this review and the current financial position, they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's group annual financial statements. The group annual financial statements have been examined by the company's external auditors and their report is presented on page 6.

The group annual financial statements set out on pages 7 to 31, which have been prepared on the going concern basis, were approved by the directors on 29 April 2016 and were signed on their behalf by:

Director | **Director**

Johannesburg

29 April 2016

Independent Auditor's Report

To the shareholders of Zeno Capital Limited

We have audited the group annual financial statements of Zeno Capital Limited, as set out on pages 9 to 31, which comprise the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Group Annual Financial Statements

The company's directors are responsible for the preparation and fair presentation of these group annual financial statements in accordance with International Financial Reporting Standards and requirements of the BVI Business Companies Act, 2004, and for such internal control as the directors determine is necessary to enable the preparation of group annual financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the group annual financial statements present fairly, in all material respects, the financial position of Zeno Capital Limited as at 31 December 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, and the requirements of the BVI Business Companies Act, 2004.

Other reports required

As part of our audit of the group annual financial statements for the year ended 31 December 2015, we have read the directors' Report and the Audit Committee's Report for the purpose of identifying whether there are material inconsistencies between these reports and the audited group annual financial statements. The directors' Report and the Audit Committee's Report are the responsibility of the directors. Based on reading these reports we have not identified material inconsistencies between them and the audited group annual financial statements. However, we have not audited the directors' Report and the Audit Committee's Report and accordingly do not express an opinion thereon.

Certified Master Auditors (South Africa) Incorporated
Registered Auditors

Per: G Davias
Director
Chartered Accountant (S.A.)
Registered Auditor

29 April 2016
Johannesburg
CMA Office Park
No 1 Second Road
Halfway House
Midrand
South Africa

Directors' Report

The directors have pleasure in submitting their report on the group annual financial statements of Zeno Capital Limited for the year ended 31 December 2015.

1. Review of financial results and activities

The group annual financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the BVI Business Companies Act, 2004. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the company are set out in these group annual financial statements.

2. Share capital

			2015	2014
Authorised			Number of shares	
Ordinary shares			50 000	50 000
	2015	2014	2015	2014
Issued	$	$	Number of shares	
Ordinary shares	30 091 126	30 091 126	30 091	30 091

There have been no changes to the authorised or issued share capital during the year under review.

3. Dividends

With regards to the terms and conditions of the notes issued, as detailed in note 12, the directors have to accrue an amount of US$ 2 554 000 (2014: US$ 1 694 457), which is the minimum guaranteed return due to the holders of these instruments.

4. Insurance and risk management

The company follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. There is also a continuous asset risk control programme, which is carried out in conjunction with the company's insurance brokers. All risks are considered to be adequately covered, in the case of which as much cover as is reasonably available has been arranged.

5. Directorate

The directors in office at the date of this report are as follows:

Directors	**Designation**	
A Vassilopoulos	Executive chairman	
GR Poole	Executive	
CM Vining	Non-executive	
G Roussos	Non-executive	
CA Akal	Non-executive	Resigned 31 August 2015

There have been no other changes to the directorate for the year under review.

6. Holding company

The company's holding company is HBW Group Proprietary Limited which holds 67.9% (2014: 67.9%) of the company's equity. HBW Group Proprietary Limited is incorporated in South Africa.

7. Ultimate holding company

The company's ultimate holding company is Supaluck Investments Proprietary Limited which is incorporated in South Africa.

Directors' Report

8. Once-off income statement expenditure

During the year under review, the group incurred certain once-off costs relating to the acquisition and disposal of certain investments and refinancing of certain financial obligations.

The amounts are included in the operating expenses and are broken down as follows:

Once-off expenditure:		
Investment acquisition / disposal costs	5 337 150	661 986
Refinancing fees	-	3 156 490
	5 337 150	**3 818 476**

9. Events after the reporting period

The directors are not aware of any material events which occurred after the reporting date and up to the date of this report, which could have a material effect on these financial statements.

10. Going concern

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the group annual financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

11. Litigation statement

The company becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

12. Auditors

Certified Master Auditors (South Africa) Incorporated continued in office as auditors for the company for 2015.

At the AGM, the shareholders will be requested to reappoint Certified Master Auditors (South Africa) Incorporated as the independent external auditors of the company and to confirm Mr G Davias as the designated lead audit partner for the 2016 financial year.

13. Secretary

The company secretary is Totalserve Trust Company Limited.

Postal address	P.O. Box 3540 Road Town Tortola British Virgin Islands VG1110
Business address	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110

14. Date of authorisation for issue of financial statements

The group annual financial statements have been authorised for issue by the directors on 29 April 2016.

Zeno Capital Limited
(Registration number 1628131)
Group Annual Financial Statements for the year ended 31 December 2015

Statement of Financial Position as at 31 December 2015

Figures in US Dollar	Note(s)	2015	2014
Assets			
Non-Current Assets			
Investment property	3	592 246 758	721 941 573
Loans to group companies	5	1 856 741	-
Other financial and investment assets	6	71 522 200	26 910 842
		665 625 699	**748 852 415**
Current Assets			
Trade and other receivables	7	781 924	364 363
Current tax receivable		-	327 687
Cash and cash equivalents	8	22 028 457	22 297 256
		22 810 381	**22 989 306**
Total Assets		**688 436 080**	**771 841 721**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	9	30 091 126	30 091 126
Reserves	10,11,23	41 689 952	14 378 904
Retained income		53 331 323	66 598 512
Equity attributable to equity holders of the parent		125 112 401	111 068 542
Unrealised reserves attributable to note holders	12	-	19 081 006
Non-controlling interest		5 287 381	838 894
		130 399 782	**130 988 442**
Liabilities			
Non-Current Liabilities			
Loans from group companies	5	-	2 188 071
Other financial liabilities	13	534 021 575	621 485 570
		534 021 575	**623 673 641**
Current Liabilities			
Other financial liabilities	13	4 346 400	2 571 250
Trade and other payables	14	19 668 323	14 608 388
		24 014 723	**17 179 638**
Total Liabilities		**558 036 298**	**640 853 279**
Total Equity and Liabilities		**688 436 080**	**771 841 721**

Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar	Note(s)	2015	2014
Revenue	15	29 389 375	25 555 244
Other income	16	824 796	506 046
Operating expenses		(11 861 476)	(5 262 990)
Operating profit	17	**18 352 695**	**20 798 300**
Investment revenue	18	1 961 710	2 262 827
Fair value adjustments	19	(22 285 578)	43 501 394
Finance costs	20	(27 927 850)	(27 498 700)
(Loss) profit before taxation		**(29 899 023)**	**39 063 821**
Taxation	21	(347 184)	315 155
(Loss) profit for the year		**(30 246 207)**	**39 378 976**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		36 040 648	10 834 375
Other comprehensive income for the year net of taxation	23	**36 040 648**	**10 834 375**
Total comprehensive income for the year		**5 794 441**	**50 213 351**

(Loss) profit attributable to:		
Owners of the parent	(29 794 195)	40 032 440
Non-controlling interest	(452 012)	(653 464)
	(30 246 207)	**39 378 976**
Total comprehensive income attributable to:		
Owners of the parent	6 246 453	50 866 815
Non-controlling interest	(452 012)	(653 464)
	5 794 441	**50 213 351**

Zeno Capital Limited

(Registration number 1628131)
Group Annual Financial Statements for the year ended 31 December 2015

Statement of Changes in Equity

Figures in US Dollar	Share capital	Foreign currency translation reserve	Treasury capital	Unrealised reserve attributable to note holders	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Balance at 01 January 2014	**30 091 126**	**3 544 529**	**-**	**26 086 481**	**29 631 010**	**21 255 054**	**80 977 190**	**2 365 117**	**83 342 307**
Profit for the year	-	-	-	-	-	40 032 440	40 032 440	(653 464)	39 378 976
Other comprehensive income	-	10 834 375	-	-	10 834 375	-	10 834 375	-	10 834 375
Total comprehensive income for the year	**-**	**10 834 375**	**-**	**-**	**10 834 375**	**40 032 440**	**50 866 815**	**(653 464)**	**50 213 351**
Transfer between reserves	-	-	-	(7 005 475)	(7 005 475)	7 005 475	-	-	-
Changes in ownership interest	-	-	-	-	-	-	-	(872 759)	(872 759)
Dividends accrued to note holders	-	-	-	-	-	(1 694 457)	(1 694 457)	-	(1 694 457)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**-**	**(7 005 475)**	**(7 005 475)**	**5 311 018**	**(1 694 457)**	**(872 759)**	**(2 567 216)**
Balance at 01 January 2015	**30 091 126**	**14 378 904**	**-**	**19 081 006**	**33 459 910**	**66 598 512**	**130 149 548**	**838 894**	**130 988 442**
Loss for the year	-	-	-	-	-	(29 794 195)	(29 794 195)	(452 012)	(30 246 207)
Other comprehensive income	-	36 040 648	-	-	36 040 648	-	36 040 648	-	36 040 648
Total comprehensive Loss for the year	**-**	**36 040 648**	**-**	**-**	**36 040 648**	**(29 794 195)**	**6 246 453**	**(452 012)**	**5 794 441**
Buy back of shares	-	-	(8 729 600)	-	(8 729 600)	-	(8 729 600)	-	(8 729 600)
Transfer between reserves	-	-	-	(19 081 006)	(19 081 006)	19 081 006	-	-	-
Changes in ownership interest	-	-	-	-	-	-	-	4 900 499	4 900 499
Dividends accrued to note holders	-	-	-	-	-	(2 554 000)	(2 554 000)	-	(2 554 000)
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**(8 729 600)**	**(19 081 006)**	**(27 810 606)**	**16 527 006**	**(11 283 600)**	**4 900 499**	**(6 383 101)**
Balance at 31 December 2015	**30 091 126**	**50 419 552**	**(8 729 600)**	**-**	**41 689 952**	**53 331 323**	**125 112 401**	**5 287 381**	**130 399 782**
Note(s)	9	11&23	10	12					

Statement of Cash Flows

Figures in US Dollar	Note(s)	2015	2014
Cash flows from operating activities			
Cash generated from operations	24	25 929 109	23 315 279
Interest income		1 961 710	2 262 827
Tax paid	25	-	(312 432)
Net cash from operating activities		**27 890 819**	**25 265 674**
Cash flows from investing activities			
Purchase of investment property	3	(1 576 686)	(134 769 012)
Movement in investment property	3	119 194 650	-
Net movement in investments		(3 306 958)	-
Net movement in related company loans		(4 044 812)	(4 827 924)
Net movement in other financial and investment assets		(42 418 838)	(21 138 577)
Net cash from investing activities		**67 847 356**	**(160 735 513)**
Cash flows from financing activities			
Buy back of shares	10	(8 729 600)	-
Net movement in other financial liabilities		(56 795 524)	174 631 203
Dividends accrued to note holders		(2 554 000)	(1 694 457)
Finance costs		(27 927 850)	(27 498 700)
Net cash from financing activities		**(96 006 974)**	**145 438 046**
Total cash movement for the year		**(268 799)**	**9 968 207**
Cash at the beginning of the year		22 297 256	12 329 049
Total cash at end of the year	8	**22 028 457**	**22 297 256**

Accounting Policies

1. Presentation of group annual financial statements

The group annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the BVI Business Companies Act, 2004. The group annual financial statements have been prepared on the historical cost basis, except for the measurement of investment properties and certain financial instruments at fair value, and incorporate the principal accounting policies set out below. They are presented in US Dollars.

These accounting policies are consistent with the previous period.

1.1 Consolidation

Basis of consolidation

The consolidated group annual financial statements incorporate the group annual financial statements of the company and all subsidiaries which are controlled by the company.

The company has control of a subsidiary when it has power over the subsidiary; it is exposed to or has rights to variable returns from involvement with the subsidiary; and it has the ability to use its power over the subsidiary to affect the amount of the investor's returns.

The results of subsidiaries are included in the consolidated group annual financial statements from the effective date of acquisition to the effective date of disposal.

Adjustments are made when necessary to the group annual financial statements of subsidiaries to bring their accounting policies in line with those of the company.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the group annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the group annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the group annual financial statements. Significant judgements include:

Trade receivables

The company assesses its trade receivables, held to maturity investments and loans and receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in profit or loss, the company makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

Available-for-sale financial assets

The company follows the guidance of IAS 39 to determine when an available-for-sale financial asset is impaired. This determination requires significant judgment. In making this judgment, the company evaluates, among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the company is the current bid price.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

Accounting Policies

1.2 Significant judgements and sources of estimation uncertainty (continued)

Impairment testing

The company reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

1.3 Investment property

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise, and the cost of the investment property can be measured reliably.

Investment property is initially recognised at cost. Transaction costs are included in the initial measurement.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. If a replacement part is recognised in the carrying amount of the investment property, the carrying amount of the replaced part is derecognised.

Fair value

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

There are no property interests held under operating leases which are recognised as investment property.

1.4 Financial instruments

Classification

The company classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss
- Held-to-maturity investment
- Loans and receivables
- Available-for-sale financial assets
- Financial liabilities at fair value through profit or loss
- Financial liabilities measured at amortised cost

Classification depends on the purpose for which the financial instruments were obtained / incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

Accounting Policies

1.4 Financial instruments (continued)

Initial recognition and measurement

Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

The company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost and are classified as available-for-sale financial assets.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Transaction costs on financial instruments at fair value through profit or loss are recognised in profit or loss.

Subsequent measurement

Financial instruments at fair value through profit or loss are subsequently measured at fair value, with gains and losses arising from changes in fair value being included in profit or loss for the period.

Net gains or losses on the financial instruments at fair value through profit or loss exclude dividends and interest.

Dividend income is recognised in profit or loss as part of other income when the company's right to receive payment is established.

Loans and receivables are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Held-to-maturity investments are subsequently measured at amortised cost, using the effective interest method, less accumulated impairment losses.

Available-for-sale financial assets are subsequently measured at fair value. This excludes equity investments for which a fair value is not determinable, which are measured at cost less accumulated impairment losses.

Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in equity until the asset is disposed of or determined to be impaired. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss as part of other income. Dividends received on available-for-sale equity instruments are recognised in profit or loss as part of other income when the company's right to receive payment is established.

Changes in fair value of available-for-sale financial assets denominated in a foreign currency are analysed between translation differences resulting from changes in amortised cost and other changes in the carrying amount. Translation differences on monetary items are recognised in profit or loss, while translation differences on non-monetary items are recognised in other comprehensive income and accumulated in equity.

Financial liabilities at amortised cost are subsequently measured at amortised cost, using the effective interest method.

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Accounting Policies

1.4 Financial instruments (continued)

Impairment of financial assets

At each reporting date the company assesses all financial assets, other than those at fair value through profit or loss, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

Impairment losses are recognised in profit or loss.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Loans to (from) group companies

These include loans to and from holding companies and fellow subsidiaries.

Loans to group companies are classified as loans and receivables.

Loans from group companies are classified as financial liabilities measured at amortised cost.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in profit or loss.

Trade and other receivables are classified as loans and receivables.

Trade and other payables

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

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

Bank overdraft and borrowings

Bank overdrafts and borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the company's accounting policy for borrowing costs.

Accounting Policies

1.4 Financial instruments (continued)

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of interest rate swaps, are initially measured at fair value on the contract date, and are re-measured to fair value at subsequent reporting dates.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in profit or loss.

Changes in the fair value of derivative financial instruments are recognised in profit or loss as they arise.

Derivatives are classified as financial assets at fair value through profit or loss.

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period.

1.6 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

Operating leases - lessor

Operating lease income is recognised as an income on a straight-line basis over the lease term.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

Income for leases is disclosed under revenue in profit or loss.

1.7 Impairment of assets

The company assesses at each end of the reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the company also:

- tests intangible assets with an indefinite useful life or intangible assets not yet available for use for impairment annually by comparing its carrying amount with its recoverable amount. This impairment test is performed during the annual period and at the same time every period.
- tests goodwill acquired in a business combination for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

Accounting Policies

1.7 Impairment of assets (continued)

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

The increased carrying amount of an asset other than goodwill attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as a revaluation increase.

1.8 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

1.9 Provisions and contingencies

Provisions are recognised when:

- the company has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the business or part of a business concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for terminating their services;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 27.

Accounting Policies

1.10 Revenue

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the company;
- the stage of completion of the transaction at the end of the reporting period can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of value added tax.

Rental income from operating leases is recognised over the term of the relevant lease as follows:

A Retail Price Index (RPI) swap is held against the rental income received under the Standard Chartered Bank lease, expiring in June 2027. The swap receives fixed uplifts of 2.825% of the previous year's gross rent and pays the percentage increase in the RPI index multiplied by the previous year's gross rent collected.

A Consumer Price Index (CPI) swap is held against the rental income received under the Tesco Ireland lease, expiring in May 2018. The swap receives fixed uplifts of 2.51% of the previous year's gross rent and pays the percentage increase in the Irish CPI index multiplied by the previous years gross rent.

Interest is recognised, in profit or loss, using the effective interest rate method.

Dividends are recognised, in profit or loss, when the company's right to receive payment has been established.

1.11 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

1.12 Translation of foreign currencies

Investments in subsidiaries, joint ventures and associates

The results and financial position of a foreign operation are translated into the functional currency using the following procedures:

- 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;
- income and expenses for each item of profit or loss are translated at average exchange rates for the financial year; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of equity.

Exchange differences arising on a monetary item that forms part of a net investment in a foreign operation are recognised initially to other comprehensive income and accumulated in the translation reserve. They are recognised in profit or loss as a reclassification adjustment through to other comprehensive income on disposal of net investment.

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendment to IAS 24: Related Party Disclosures: Annual improvements project	01 July 2014	The adoption of this amendment has not had a material impact on the results of the company, but has resulted in more disclosure than would have previously been provided in the financial statements
• Amendment to IAS 40: Investment Property: Annual improvements project	01 July 2014	The impact of the amendments is not material.
• Amendment to IFRS 3: Business Combinations: Annual improvements project	01 July 2014	The impact of the amendment is not material.
• Amendment to IFRS 13: Fair Value Measurement: Annual improvements project	01 July 2014	The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2016 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption	01 January 2016	Not expected to impact results but may result in additional disclosure
• Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	01 January 2016	Not expected to impact results but may result in additional disclosure
• Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	Not expected to impact results but may result in additional disclosure

2.3 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2016 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 9 Financial Instruments	01 January 2018	Unable to reliably estimate the impact
• IFRS 15 Revenue from Contracts with Customers	01 January 2017	Unable to reliably estimate the impact

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

3. Investment property

	2015			2014		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	592 246 758	-	592 246 758	721 941 573	-	721 941 573

Reconciliation of investment property - 2015

	Opening balance	Additions	Disposals	Foreign exchange movements	Fair value adjustments	Total
Investment property	721 941 573	1 576 686	(119 194 650)	(17 486 088)	5 409 237	592 246 758

Reconciliation of investment property - 2014

	Opening balance	Additions	Foreign exchange movements	Fair value adjustments	Total
Investment property	542 536 500	134 769 012	10 261 516	34 374 545	721 941 573

Pledged as security

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

3. Investment property (continued)

Details of property

35 Basinghall Street, London, EC2 and 16 Coleman Street, London, EC2R
The property is let to Standard Chartered Bank on a fully repairing and insuring lease expiring on 28 June 2027. The property has been mortgaged as security for the liability noted in note 13.

- Purchase price: April 2013	346 496 774	346 496 774
- Capitalised expenditure	1 237 915	1 237 915
- Fair value adjustments	82 981 311	82 981 311
	430 716 000	**430 716 000**

No 169 Union Street, Southwark, London, SE1
The property was let to the London Fire and Emergency Planning Authority on a fully repairing and insuring lease expiring on 18 March 2027. The property transferred out of the group on sale of the subsidiary company.

- Purchase price: April 2011	-	72 876 226
- Additions since purchase or valuation	-	48 236 402
- Capitalised expenditure	-	(1 917 978)
	-	**119 194 650**

111 - 113 Park Street, Mayfair, London, W1K
The property was let to Brooks Macdonald Financial Consulting Limited on a fully repairing and insuring lease expiring 5 June 2015. The property is currently in the process of being redeveloped. The property is currently unencumbered.

- Purchase price: November 2013	18 214 028	18 214 028
- Additions since purchase or valuation	2 493 472	2 493 472
- Capitalised expenditure	1 410 758	-
	22 118 258	**20 707 500**

Dry Goods Distribution Centre, Lanistown, Donabate, County Dublin
The property is let to Tesco Ireland Limited on a fully repairing and insuring lease expiring in December 2032. The lease has been guaranteed by Tesco PLC. The property has been mortgaged as security for the liability noted in note 13.

- Purchase price: October 2014	151 323 423	151 323 423
- Capitalised expenditure	165 928	-
- Fair value adjustments	377 372	-
- Foreign exchange movements	(12 454 223)	-
	139 412 500	**151 323 423**

Details of valuation

The effective date of the valuations was 31 December 2015. The investment properties are disclosed at the directors' valuation as at the reporting date. An independent property valuation was carried out on the Dry Goods Distribution Centre by Colliers International in accordance with the provisions of the Appraisal and Valuation Standards (the "Red Book") issued by the Royal Institution of Chartered Surveyors on an open market basis as at 31 December 2015.

The other investment properties are independently valued every five years.

The Directors are not aware of any material change in the property valuation since the balance sheet date.

Amounts recognised in profit and loss for the year

Rental income from investment property	29 187 239	25 523 024

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

4. Interests in subsidiaries

Name of company	Nature of business	% holding 2015	% holding 2014
Abatewood Limited	Property holding	100.00 %	100.00 %
Axel Finance Company Limited	Asset lending	100.00 %	- %
Basinghall Properties Limited	Property holding	100.00 %	100.00 %
Caro Investment Holdings Limited	Investment holding	87.90 %	100.00 %
Ciclo Trust	Investment holding	87.90 %	100.00 %
City Properties (London) Limited	Property holding	100.00 %	100.00 %
Kiklo Cars Limited	Investment holding	87.90 %	100.00 %
Kiklo Cars USA LLC	Investment holding	87.90 %	- %
Kreis Kapital UG	Investment holding	87.90 %	100.00 %
Mayfair Properties Limited	Property holding	31.50 %	31.50 %
Pikes Peak Properties Limited	Investment holding	87.90 %	- %
Primezone Properties Limited	Investment holding	100.00 %	100.00 %
Trimantle Unit Trust	Property holding	100.00 %	100.00 %
Union Holdings (UK) Limited	Property holding	- %	100.00 %
Zeno (Ireland) Funds PLC	Property holding	100.00 %	- %

5. Loans to (from) group companies

Holding company

	2015	2014
HBW Group Proprietary Limited	1 856 741	(2 188 071)

The loan is unsecured, bears interest at a linked rate and has no fixed terms of repayment. The loan is not expected to be repaid in the next twelve months.

	2015	2014
Non-current assets	1 856 741	-
Non-current liabilities	-	(2 188 071)
	1 856 741	**(2 188 071)**

6. Other financial and investment assets

	2015	2014
At fair value through profit or loss		
Other investment assets	68 436 859	23 484 456
Investment in investment cars		
At fair value through profit or loss		
Listed shares	4 816	7 775
Listed shares in the Bank of Cyprus Public Company Limited. The shares were listed on the ASE in December 2014		
Held to maturity		
CPI inflation swap	3 080 525	3 418 611
Zeno (Ireland) Funds PLC, a subsidiary of the Company, has entered into a Consumer Price Index Swap where it receives a fixed increase of 2.51% and pays over the variable increase in underlying rental received from the tenant, which is indexed against CPI as published by the central statistics office in Ireland. The swap matures in May 2018.		
Total other financial assets	**71 522 200**	**26 910 842**

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

6. Other financial and investment assets (continued)

Non-current assets		
Designated as at fair value through profit or loss (fair value through income)	68 436 859	23 484 456
Held for trading (fair value through income)	4 816	7 775
Held to maturity	3 080 525	3 418 611
	71 522 200	**26 910 842**

Fair value information

Financial assets at fair value through profit or loss are recognised at fair value, which is therefore equal to their carrying amounts.

The following classes of financial assets at fair value through profit or loss are measured to fair value using quoted market prices / values:

- Listed shares
- Investment cars

The company has not reclassified any financial assets from cost or amortised cost to fair value, or from fair value to cost or amortised cost during the current or prior year.

7. Trade and other receivables

Prepayments	65 464	57 606
Deposits	56 814	60 080
Other receivables	659 646	246 677
	781 924	**364 363**

8. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	14 094 355	20 735 740
Short-term deposits	7 934 102	1 561 516
	22 028 457	**22 297 256**

9. Share capital

Authorised		
50 000 Ordinary shares of US$1 000 each	50 000 000	50 000 000
Issued		
30 091 Ordinary shares of US$1 000 each	30 091 126	30 091 126

10. Treasury capital

2 816 shares acquired during the year at a repurchase price of US$ 3 100 per share	8 729 600	-

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

11. Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

Opening balance	14 378 904	3 544 529
Current year movement	36 040 648	10 834 375
	50 419 552	**14 378 904**

12. Unrealised reserve attributable to note holders

The unrealised reserve relates to the expected profit participation of the Perpetual Participating Notes detailed below in note 13.

Opening balance	19 081 006	26 086 481
Current year movement	(19 081 006)	(7 005 475)
	-	**19 081 006**

13. Other financial liabilities

At fair value through profit or loss		
Interest rate swaps	63 240 590	40 873 179

Two amortising interest rate swaps with a notional value of US$ 341 259 600 held for the Basinghall senior debt with a swap rate of 4.45% maturing in June 2027. The market value of the swap as at 31 December 2015 was negative US$ 56 808 410 (2014: negative US$ 33 393 677). The swap is cross collateralised with the facilitating Bank's security interest in the Trimantle Unit Trust and the mortgage over the property.

Zeno (Ireland) Funds PLC, a subsidiary of the Company, has entered into an interest rate swap with a notional value of US$ 114 043 643 and a rate of 1.93% maturing in September 2019. The market value of the swap as at 31 December 2015 was negative US$ 6 432 180.

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014
13. Other financial liabilities (continued)		
Held at amortised cost		
Mortgage bond 35 Basinghall Street, London Secured loan bearing interest at a linked rate. Only interest is repayable in quarterly instalments for the term of the loan, with the capital amount being repayable by 3 July 2018.	272 372 724	289 074 293
Mortgage bond Dry Goods Distribution Centre, Lanistown Secured loan bearing interest at a linked rate. Interest is paid quarterly in arrears. The loan is repaid in increasing quarterly repayments for the first five years with the balance outstanding at maturity being repayable in full on the sale of property, refinancing or other sources.	99 120 363	114 345 000
Mortgage bond Secured loan bearing interest at a linked rate. Interest only is payable quarterly in arrears, with the capital balance payable on expirey of the facility in November 2019. The loan was setlled in full during the year.	-	78 684 050
Unsecured financial liabilities		
Perpetual Participating Notes US$ 40 700 000 2% Fixed rate subordinate perpetual participating notes, accruing dividends at a rate of 2% per annum plus a 60% profit participation in selected subsidiaries in the net income after tax and before dividends to common equity holders of investments or business operations where proceeds have been deployed as risk or working capital. The expected profit participation is disclosed above in note 12.	43 026 682	42 212 682
Perpetual Participating Notes US$ 58 000 000 3% Fixed rate subordinate perpetual participating notes, accruing dividends at a rate of 3% per annum plus a 80% profit participation in selected subsidiaries in the net income after tax and before dividends to common equity holders of investments or business operations where proceeds have been deployed as risk of working capital. The expected profit participation is disclosed above in note 12.	60 607 616	58 867 616
	475 127 385	**583 183 641**
	538 367 975	**624 056 820**
Non-current liabilities		
Fair value through profit or loss	63 240 590	40 873 179
At amortised cost	470 780 985	580 612 391
	534 021 575	**621 485 570**
Current liabilities		
At amortised cost	4 346 400	2 571 250
	538 367 975	**624 056 820**
Other financial liabilities secured / unsecured		
Total secured financial liabilities	434 733 677	522 976 522
Total unsecured financial liabilities	103 634 298	101 080 298
	538 367 975	**624 056 820**

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

14. Trade and other payables

Trade payables	61 895	-
Amounts received in advance	6 071 385	7 433 766
VAT	874 479	2 029 795
Other payables	9 105 553	1 236 120
Accrued audit fees	19 014	16 130
Other accrued expenses	3 535 997	3 892 577
	19 668 323	**14 608 388**

15. Revenue

Rental Income	29 187 239	25 523 024
Recoveries	202 136	32 220
	29 389 375	**25 555 244**

16. Other income

Profit and loss on sale of assets and liabilities	372 918	-
Profit on exchange differences	-	97 897
Fees earned	451 878	-
Other income	-	408 149
	824 796	**506 046**

17. Operating profit

Operating profit for the year is stated after accounting for the following:

Operating lease charges		
Premises		
• Contractual amounts	26 305	54 049
Profit on sale of other financial assets	372 918	-
Loss (profit) on exchange differences	100 974	(97 897)

18. Investment revenue

Interest revenue		
Interest received - Group companies	73 868	240 137
Bank	41 792	50 710
Interest received - Swaps	1 795 584	1 971 980
Other interest	50 466	-
	1 961 710	**2 262 827**

19. Fair value adjustments

Investment property (Fair value model)	5 409 237	34 374 545
Other financial and investment assets	1 819 602	2 905 758
Other financial liabilities	(29 514 417)	6 221 091
	(22 285 578)	**43 501 394**

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

20. Finance costs

	2015	2014
Group companies	418 660	656 988
Non-current borrowings	11 639 444	10 475 637
Interest rate swaps	15 869 216	16 366 075
Other interest paid	530	-
	27 927 850	**27 498 700**

21. Taxation

Major components of the tax expense

	2015	2014
Current		
Foreign income tax or withholding tax - current period	6 653	(315 155)
Foreign income tax or withholding tax - recognised in current tax for prior periods	340 531	-
	347 184	**(315 155)**

22. Auditors' remuneration

	2015	2014
Fees	19 307	8 378

23. Other comprehensive income

Components of other comprehensive income - 2015

	Gross	Tax	Net
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	36 040 648	-	36 040 648

Components of other comprehensive income - 2014

	Gross	Tax	Net
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	10 834 375	-	10 834 375

24. Cash generated from operations

	2015	2014
(Loss) profit before taxation	(29 899 023)	39 063 821
Adjustments for:		
Profit on sale of assets	(372 918)	-
Interest received	(1 961 710)	(2 262 827)
Finance costs	27 927 850	27 498 700
Fair value adjustments	22 285 578	(43 501 394)
Impairment loss - Goodwill	3 306 958	-
Changes in working capital:		
Trade and other receivables	(417 561)	202 450
Trade and other payables	5 059 935	2 314 529
	25 929 109	**23 315 279**

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

25. Tax refunded

	2015	2014
Balance at the beginning of the year	327 687	(299 900)
Current tax for the year recognised in profit or loss	(347 184)	315 155
Foreign exchange movement	19 497	-
Balance at end of the year	-	(327 687)
	-	**(312 432)**

26. Commitments

There were no material capital commitments at year end.

27. Contingencies

Zeno Capital Limited has guaranteed the recourse obligations of two loans on behalf of a subsidiary of the parent company, HBW Group Proprietary Limited. The total outstanding amount of the loans is US$ 39 400 443 owing to PFP Holding Company III, LLC. Zeno Capital Limited has guaranteed this amount, plus associated costs and damages, in the event of a default by the borrower as a result of a voluntary bankruptcy, fraud or unpermitted transfer of the assets held by the lender as security for the loans. In the opinion of the directors, the guarantee does not adversely affect the financial position of the company.

28. Related parties

Relationships	
Ultimate holding company	Supaluck Investments Proprietary Limited
Holding company	HBW Group Proprietary Limited
Subsidiaries	Refer to note 4
Members of key management	A Vassilopoulos
	GR Poole

Related party balances

	2015	2014
Loan accounts - Owing (to) by related parties		
HBW Group Proprietary Limited	1 856 741	(2 188 071)
Perpetual Participating Notes owing to related parties		
Investec Securities Limited - As nominee	(102 695 296)	(100 167 297)

Related party transactions

	2015	2014
Interest paid to (received from) related parties		
HBW Group Proprietary Limited	344 792	447 331
Stockley Park Limited	-	(30 481)
Dividends accrued to related parties		
Investec Securities Limited - As nominee	2 528 000	1 683 160

29. Directors' emoluments

No emoluments were paid to the directors or any individuals holding a prescribed office during the year.

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

30. Risk management

Capital risk management

The company's objectives when managing capital are to safeguard the company'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 company consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 5 & 13 cash and cash equivalents disclosed in note 8, and equity as disclosed in the statement of financial position.

Consistent with industry standards, the company monitors capital on the basis of the debt: equity ratio.

This ratio is calculated as net debt divided by total equity. Net debt is calculated as total borrowings (including current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents. Total equity is represented in the statement of financial position.

Financial risk management

The company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the company's financial performance. The company uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by fund managers under policies approved by the directors. The fund managers identify, evaluate and hedge financial risks in close co-operation with the company's operating units. The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The company's risk to liquidity is a result of the funds available to cover future commitments. The company manages liquidity risk through an ongoing review of future commitments and credit facilities.

Cash flow forecasts are prepared and adequate utilised borrowing facilities are monitored.

Interest rate risk

The company'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 company to fair value interest rate risk. During 2015 and 2014, the company's borrowings at variable rate were denominated in the US Dollar, the UK pound and the Euro.

The company analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the company calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies.

Based on the various scenarios, the company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Generally, the company raises long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the company borrowed at fixed rates directly. Under the interest rate swaps, the company agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

Notes to the Group Annual Financial Statements

Figures in US Dollar	2015	2014

30. Risk management (continued)

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The company only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Foreign exchange risk

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar, the UK pound and the Euro. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The company does not hedge foreign exchange fluctuations.

Exchange rates used for conversion of foreign items were:

	2015	2014
GBP	1.4734	1.5581
EURO	1.0866	1.2100