ZENO CAPITAL LIMITED
(Registration number 1628131)
Group Annual Financial Statements
for the year ended 31 December 2019

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

HLB CMA South Africa Incorporated
Chartered Accountants (SA)
Registered Auditors

These group annual financial statements have been audited in compliance with the applicable requirements of the BVI Business Companies Act, 2004.

Issued 20 April 2020

General Information

Country of incorporation and domicile	Virgin Islands (British)
Nature of business and principal activities	Proprietary investments and property The Group is an investment group, in pursuance of which members of the public are invited or permitted to invest money and hold participatory interests in the Group's portfolio of securities and in items of which the investors share the risk and benefit of the investment
Directors	A Vassilopoulos GR Poole CM Vining G Roussos CN Vassilopoulos M Maraschin
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	PO 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	HLB CMA South Africa Incorporated Chartered Accountants (SA) Registered Auditors
Secretary	Totalserve Trust Company Limited
Company registration number	1628131
Level of assurance	These group annual financial statements have been audited in compliance with the applicable requirements of the BVI Business Companies Act, 2004.
Preparer	The group annual financial statements were internally compiled by: U Jensen Group Financial Accountant
Issued	20 April 2020

Contents

Preparer

U Jensen
Group Financial Accountant

Published

20 April 2020

Audit Committee Report

This report is provided by the audit committee appointed in respect of the 2019 financial year of Zeno Capital Limited.

1. Members of the Audit Committee

The members of the audit committee are all independent non-executive directors of the company and include:

Name	Qualification
A Vassilopoulos	
G Roussos	CA(SA)

The committee is satisfied that the members thereof have the required knowledge and experience as set out in the BVI Business Companies Act, 2004.

2. Meetings held by the Audit Committee

The audit committee performs the duties laid upon it by the BVI Business Companies Act, 2004 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 HLB CMA South Africa Incorporated as the independent auditor and George Davias as the designated partner, who is a registered independent auditor, for appointment of the 2019 audit.

The committee satisfied itself through enquiry that the external auditors are independent as defined by the BVI Business Companies Act, 2004 and as per the standards stipulated by the auditing profession.

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
10 April 2020

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 2020 and, in light of this review and the current financial position, they are satisfied that the company has or had 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 pages 8 to 9.

The group annual financial statements set out on pages 10 to 32, which have been prepared on the going concern basis, were approved by the directors on 20 April 2020 and were signed on their behalf by:

Approval of financial statements

Director | **Director**

Johannesburg

20 April 2020

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 2019.

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

	2019	2018
Authorised	Number of shares	
Ordinary shares	100 000	100 000

	2019	2018	2019	2018
Issued	$ '000	$ '000	Number of shares	
Ordinary shares	136 610	136 620	64 455	64 455

During the year, the company sold 100 treasury shares at US$ 3 000 per share. There have been no other changes to the authorised or issued share capital during the year under review.

3. Authority to buy back shares

At the meeting of the board of directors held on 20 April 2020 shareholders gave the company a general approval in terms of the BVI Business Companies Act, 2004, by way of special resolution, for the acquisition of its own shares.

4. Dividends

No dividends have been declared for the financial year ended 31 December 2019. (2018: Nil)

5. Insurance and risk management

The group 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 group's insurance brokers. All risks are considered to be adequately covered.

6. Directorate

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

Directors	**Nationality**
A Vassilopoulos	South African
GR Poole	South African
CM Vining	South African
G Roussos	South African
CN Vassilopoulos	South African
M Maraschin	South African

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

7. Holding company

The company's holding company is HBW Group Proprietary Limited which holds 75.23% (2018: 75.20%) of the company's equity. HBW Group Proprietary Limited is incorporated in South Africa.

8. Ultimate holding company

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

9. Events after the reporting period

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

Directors' Report

10. Going concern

The directors believe that the group 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 group 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 group. 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 group.

11. Litigation statement

The group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business. The group 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. Secretary

The company secretary is Totalserve Trust Company Limited.

Postal address:	PO Box 3540 Road Town Tortola British Virgin Islands VG1110
Business address:	19 Waterfront Drive Road Town Tortola British Virgin Islands VG1110

13. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the group's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the group's auditors are aware of that information.

14. Terms of appointment of the auditors

At the AGM, the shareholders will be requested to reappoint HLB CMA South Africa Incorporated as the independent external auditors of the group and to confirm Mr G Davias as the designated lead audit partner for the 2020 financial year.

15. Date of authorisation for issue of financial statements

The group annual financial statements have been authorised for issue by the directors on 20 April 2020.

Independent Auditor's Report

To the shareholders of Zeno Capital Limited

Opinion

We have audited the group financial statements of Zeno Capital Limited and its subsidiaries (the group) set out on pages 10 to 32, which comprise the statement of financial position as at 31 December 2019, 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 notes to the group financial statements, including a summary of significant accounting policies.

In our opinion, the group financial statements present fairly, in all material respects, the financial position of Zeno Capital Limited as at 31 December 2019, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the group financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1 and 3) (IESBA Code) and other independence requirements applicable to performing audits of group financial statements in Virgin Islands (British). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Virgin Islands (British). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

We are required in terms of ISA701 to report on key audit matters being those matters that, in our professional judgment, were of most significance in our audit of the group financial statements for the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investment properties comprise the most significant balance in the statement of financial position. The investment properties are shown at fair value through profit and loss. The investment properties are shown at fair values according to a valuation prepared by the directors. The valuation requires significant management judgment and estimation. The investment properties are also valued by independent valuators periodically. The factors that influence the fair values of the properties are, amongst others, the location and the income generated from leases.

Our audit procedures included examination of the methodology used by management and recalculation of values where applicable. All of the investment properties are fully let to third parties with the exception of the Buckmore property which is currently being developed.

Other investment assets comprise various investment cars that make up a significant balance in the statement of financial position. The investment cars are disclosed at fair value through profit and loss. The fair value of the investment cars requires significant management judgment and estimation.

In determining the fair value of the investment cars, management has taken into account various factors. These include but are not restricted to the vintage, condition, rarity, special features, auction activities and recent sales prices achieved for similar vehicles.

Our audit procedures included enquiries and discussions with management to ensure that the above methodology was appropriate in the circumstances and was fairly applied. Our examination included determining amounts realised upon disposal of similar vehicles by the group and outside parties before and after the end of the reporting period.

There were no matters regarding the valuations that came to our attention that would affect our opinion above.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Zeno Capital Limited group annual financial statements for the year ended 31 December 2019", which includes the Directors' Report and the Audit Committee's Report as required by the BVI Business Companies Act, 2004, which we obtained prior to the date of this report. The other information does not include the group financial statements and our auditor's report thereon.

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

In connection with our audit of the group financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the group financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

Responsibilities of the directors for the Group Annual Financial Statements

The directors are responsible for the preparation and fair presentation of the group annual financial statements in accordance with International Financial Reporting Standards and the 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 misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the Group Financial Statements

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

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

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

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

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

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

HLB CMA South Africa Incorporated
G Davias
Director
Chartered Accountant (SA)
Registered Auditor

20 April 2020
Johannesburg
CMA Office Park
No 1 Second Road
Halfway House
Midrand
South Africa

Statement of Financial Position as at 31 December 2019

Figures in US Dollar thousand	Note(s)	2019	2018
Assets			
Non-Current Assets			
Investment property	3	986 516	1 128 130
Investments in associates	5	19 089	-
Loans to associated companies	6	9 429	13 536
Other financial and investment assets	7	106 185	105 974
		1 121 219	**1 247 640**
Current Assets			
Trade and other receivables	8	1 829	2 079
Other financial and investment assets	7	46 964	-
Cash and cash equivalents	9	12 336	12 947
		61 129	**15 026**
Total Assets		**1 182 348**	**1 262 666**
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	10	136 610	136 620
Reserves		(3 248)	(23 019)
Retained income		202 537	261 800
		335 899	375 401
Non-controlling interest		21 183	21 046
		357 082	**396 447**
Liabilities			
Non-Current Liabilities			
Loans from group companies	13	17 060	5 831
Borrowings	14	550 497	622 063
Financial liabilities at fair value	15	231 159	195 566
Deposits received	16	846	813
		799 562	**824 273**
Current Liabilities			
Borrowings	14	3 387	19 537
Trade and other payables	17	22 317	22 409
		25 704	**41 946**
Total Liabilities		**825 266**	**866 219**
Total Equity and Liabilities		**1 182 348**	**1 262 666**

Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar thousand	Note(s)	2019	2018
Revenue	18	47 736	49 744
Operating losses	19	(66)	(26)
Operating expenses		(15 776)	(3 755)
Operating profit	20	**31 894**	**45 963**
Investment income	21	7 797	3 073
Finance costs	22	(44 668)	(43 674)
Non-operating losses	23	(1 247)	(9 627)
Loss before taxation		**(6 224)**	**(4 265)**
Taxation	24	(2 531)	-
Loss for the year		**(8 755)**	**(4 265)**
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		18 932	(16 666)
Share of comprehensive income of equity accounted investments		529	-
Total items that may be reclassified to profit or loss		**19 461**	**(16 666)**
Other comprehensive income for the year net of taxation		**19 461**	**(16 666)**
Total comprehensive income (loss) for the year		**10 706**	**(20 931)**

(Loss) profit attributable to:		
Owners of the parent	(8 891)	(4 306)
Non-controlling interest	136	41
	(8 755)	**(4 265)**
Total comprehensive income (loss) attributable to:		
Owners of the parent	10 570	(20 972)
Non-controlling interest	136	41
	10 706	**(20 931)**

Statement of Changes in Equity

Figures in US Dollar thousand	Total share capital	Foreign currency translation reserve	Treasury capital	Reserve for valuation of investments	Total reserves	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Balance at 01 January 2018	**81 728**	**2 104**	**(8 457)**	**-**	**(6 353)**	**266 106**	**341 481**	**18 074**	**359 555**
Profit (loss) for the year	-	-	-	-	-	(4 306)	(4 306)	41	(4 265)
Other comprehensive loss	-	(16 666)	-	-	(16 666)	-	(16 666)	-	(16 666)
Total comprehensive Loss for the year	**-**	**(16 666)**	**-**	**-**	**(16 666)**	**(4 306)**	**(20 972)**	**41**	**(20 931)**
Issue of shares	54 892	-	-	-	-	-	54 892	-	54 892
Outside shareholder investment	-	-	-	-	-	-	-	2 931	2 931
Total contributions by and distributions to owners of company recognised directly in equity	**54 892**	**-**	**-**	**-**	**-**	**-**	**54 892**	**2 931**	**57 823**
Balance at 01 January 2019	**136 620**	**(14 562)**	**(8 457)**	**-**	**(23 019)**	**261 800**	**375 401**	**21 046**	**396 447**
Loss for the year	-	-	-	-	-	(8 891)	(8 891)	136	(8 755)
Other comprehensive income	-	18 932	-	529	19 461	-	19 461	-	19 461
Total comprehensive Loss for the year	**-**	**18 932**	**-**	**529**	**19 461**	**(8 891)**	**10 570**	**136**	**10 706**
Sale of treasury shares	(10)	-	310	-	310	-	300	-	300
Disposals and changes in ownership	-	-	-	-	-	(50 372)	(50 372)	-	(50 372)
Outside shareholder investment	-	-	-	-	-	-	-	1	1
Total contributions by and distributions to owners of company recognised directly in equity	**(10)**	**-**	**310**	**-**	**310**	**(50 372)**	**(50 072)**	**1**	**(50 071)**
Balance at 31 December 2019	**136 610**	**4 370**	**(8 147)**	**529**	**(3 248)**	**202 537**	**335 899**	**21 183**	**357 082**
Note(s)	10	11							

Statement of Cash Flows

Figures in US Dollar thousand	Note(s)	2019	2018
Cash flows from operating activities			
Cash generated from operations	25	31 917	47 874
Interest income		1	1
Tax paid	26	(2 531)	-
Net cash from operating activities		**29 387**	**47 875**
Cash flows from investing activities			
Net movement in investment property	3	202 710	(596)
Net movement in group loans		15 703	(25 857)
Net movement in other financial and investment assets		(47 204)	(10 950)
Non-cash item changes in subsidiary ownership		(50 372)	-
Net cash from investing activities		**120 837**	**(37 403)**
Cash flows from financing activities			
Proceeds on share issue	10	-	54 892
Sale of treasury shares	10	300	-
Net movement in borrowings and other financial liabilities		(114 263)	(24 854)
Movement in deposits received		-	813
Interest income		7 796	3 072
Finance costs		(44 668)	(43 674)
Net cash from financing activities		**(150 835)**	**(9 751)**
Total cash movement for the year		**(611)**	**721**
Cash at the beginning of the year		12 947	12 226
Total cash at end of the year	9	**12 336**	**12 947**

Accounting Policies

1. Significant accounting policies

The principal accounting policies applied in the preparation of these group annual financial statements are set out below.

1.1 Basis of preparation

The group annual financial statements have been prepared on the going concern basis in accordance with, and in compliance with, International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued and effective at the time of preparing these group annual financial statements and the BVI Business Companies Act, 2004.

The group annual financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the principal accounting policies set out below. They are presented in US Dollars, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Consolidation

Basis of consolidation

The consolidated group annual financial statements incorporate the group annual financial statements of the company and all subsidiaries. Subsidiaries are entities (including structured entities) which are controlled by the group.

The group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use its power over the entity.

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 group.

All inter-company transactions, balances, and unrealised gains on transactions between group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a debit balance being recognised for non-controlling interest.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

The difference between the fair value of consideration paid or received and the movement in non-controlling interest for such transactions is recognised in equity attributable to the owners of the company.

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured to fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

1.3 Investments in associates

An associate is an entity over which the group has significant influence and which is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. It generally accompanies a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method, except when the investment is classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, investments in associates are carried in the Statement of Financial Position at cost adjusted for post-acquisition changes in the group's share of net assets of the associate, less any impairment losses.

The company's share of post-acquisition profit or loss is recognised in profit or loss, and its share of movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. Losses in an associate in excess of the group's interest in that associate, including any other unsecured receivables, are recognised only to the extent that the group has incurred a legal or constructive obligation to make payments on behalf of the associate.

Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty

The preparation of group annual financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Critical judgements in applying accounting policies

Management did not make critical judgements in the application of accounting policies, apart from those involving estimations, which would significantly affect the financial statements.

Key sources of estimation uncertainty

The group annual financial statements do not include assets or liabilities whose carrying amounts were determined based on estimations for which there is a significant risk of material adjustments in the following financial year as a result of the key estimation assumptions.

1.5 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.

If the fair value of investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

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

1.6 Financial instruments

Financial instruments held by the company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

Broadly, the classification possibilities, which are adopted by the company ,as applicable, are as follows:

Financial assets which are equity instruments:
- Mandatorily at fair value through profit or loss; or
- Designated as at fair value through other comprehensive income. (This designation is not available to equity instruments which are held for trading or which are contingent consideration in a business combination).

Financial assets which are debt instruments:
- Amortised cost. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows); or
- Fair value through other comprehensive income. (This category applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is achieved by both collecting contractual cash flows and selling the instruments); or
- Mandatorily at fair value through profit or loss. (This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through other comprehensive income); or
- Designated at fair value through profit or loss. (This classification option can only be applied when it eliminates or significantly reduces an accounting mismatch).

Derivatives which are not part of a hedging relationship:
- Mandatorily at fair value through profit or loss.

Financial liabilities:

Accounting Policies

1.6 Financial instruments (continued)

- Amortised cost; or
- Mandatorily at fair value through profit or loss. (This applies to contingent consideration in a business combination or to liabilities which are held for trading); or
- Designated at fair value through profit or loss. (This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss).

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Classification

Loans (from) to associated companies (note 6), are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on these loans.

Recognition and measurement

Loans receivable are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 8).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Accounting Policies

1.6 Financial instruments (continued)

Borrowings and loans from related parties

Classification

Loans from group companies (note 13), and borrowings (note 14) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs (note 22.)

Borrowings expose the company to liquidity risk and interest rate risk. Refer to note 31 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 17), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 22).

Accounting Policies

1.6 Financial instruments (continued)

Financial liabilities at fair value through profit or loss

Classification

Financial liabilities which are held for trading are classified as financial liabilities mandatorily at fair value through profit or loss. Refer to note 15.

When a financial liability is contingent consideration in a business combination, the company classifies it as a financial liability at fair value through profit or loss. Refer to note 15.

The company, does, from time to time, designate certain financial liabilities as at fair value through profit or loss. The reason for the designation is to reduce or significantly eliminate an accounting mismatch which would occur if the instruments were not classified as such; or if the instrument forms part of a group of financial instruments which are managed and evaluated on a fair value basis in accordance with a documented management strategy; or in cases where it forms part of a contract containing an embedded derivative and IFRS 9 permits the entire contract to be measured at fair value through profit or loss. Refer to note 15 for details.

Recognition and measurement

Financial liabilities at fair value through profit or loss are recognised when the company becomes a party to the contractual provisions of the instrument. They are measured, at initial recognition and subsequently, at fair value. Transaction costs are recognised in profit or loss.

Fair value gains or losses recognised on investments at fair value through profit or loss are included in other operating gains (losses) (note 19).

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the company's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of liabilities, rather than in profit or loss. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs (note 22).

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

1.7 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, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.8 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.

Accounting Policies

1.8 Leases (continued)

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.

1.9 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.

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.

1.10 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.

Ordinary shares are recognised at par value and classified as 'share capital' in equity. Any amounts received from the issue of shares in excess of par value is classified as 'share premium' in equity.

1.11 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.

Accounting Policies

1.11 Provisions and contingencies (continued)

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.

After their initial recognition contingent liabilities recognised in business combinations that are recognised separately are subsequently measured at the higher of:
- the amount that would be recognised as a provision; and
- the amount initially recognised less cumulative amortisation.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.12 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

Revenue is recognised to the extent that the company has transferred the significant risks and rewards of ownership of goods to the buyer, or has rendered services under an agreement provided the amount of revenue can be measured reliably and it is probable that economic benefits associated with the transaction will flow to the company. Revenue is measured at the fair value of the consideration received or receivable, excluding sales taxes and discounts.

Service revenue is recognised by reference to the stage of completion of the transaction at the end of the reporting period. The stage of completion is determined by the proportion of costs incurred to date bear to the total estimated costs of the transaction. When the outcome of a transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Revenue comprises rental income and recovery of expenses where appropriate, excluding value added tax (VAT). Rental income from investment property is recognised in profit or loss on a straight line basis over the term of the lease. Recovery of expenses is recognised in profit or loss when the right to the recovery of the expense arises, which is generally when the contractually stipulated expense has been incurred.

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

1.13 Borrowing costs

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

1.14 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 exchange rates at the dates of the transactions; and
- all resulting exchange differences are recognised to other comprehensive income and accumulated as a separate component of .

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.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of that foreign operation are treated as assets and liabilities of the foreign operation.

The cash flows of a foreign subsidiary are translated at the exchange rates between the functional currency and the foreign currency at the dates of the cash flows.

Figures in US Dollar thousand 2019 2018

Notes to the Group Annual Financial Statements

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:
• Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	01 January 2019	The impact of the standard is not material
• Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28	01 January 2019	The impact of the standard is not material
• Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	The impact of the standard is not material
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	The impact of the standard is not material
• IFRS 16 Leases	01 January 2019	The impact of the standard is not material

2.2 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 2020 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2099	Unlikely there will be a material impact
• Definition of a business - Amendments to IFRS 3	01 January 2020	Not expected to impact results but may result in additional disclosure
• Presentation of Financial Statements: Disclosure initiative	01 January 2020	Not expected to impact results but may result in additional disclosure
• Accounting Policies, Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2020	Unlikely there will be a material impact

Figures in US Dollar thousand

3. Investment property

	2019			2018		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	986 516	-	986 516	1 128 130	-	1 128 130

Reconciliation of investment property - 2019

	Opening balance	Additions	Disposals	Foreign exchange movements	Fair value adjustments	Total
Investment property	1 128 130	2 407	(205 117)	38 342	22 754	986 516

Reconciliation of investment property - 2018

	Opening balance	Additions	Foreign exchange movements	Total
Investment property	1 193 656	596	(66 122)	1 128 130

Investment property held for sale

	2019	2018
111 - 113 Park Street, Mayfair, London, W1K	-	22 216

Notes to the Group Annual Financial Statements

Figures in US Dollar thousand	2019	2018

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 14.		
- Purchase price: April 2013	346 497	346 497
- Capitalised expenditure	1 238	1 238
- Fair value adjustments	195 234	195 234
- Foreign exchange movements	(92 028)	(109 605)
	450 941	**433 364**

111 - 113 Park Street, Mayfair, London, W1K		
The property had been redeveloped. The company was sold on the 6th March 2019.		
- Purchase price: November 2013	-	18 214
- Capitalised expenditure and additions	-	8 858
- Foreign exchange movements	-	(4 856)
	-	**22 216**

Dry Goods Distribution Centre, Lanistown, Donabate, County Dublin		
The property was 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 company was sold on the 21st December 2019.		
- Purchase price: October 2014	-	151 323
- Capitalised expenditure	-	166
- Fair value adjustments	-	16 153
- Foreign exchange movements	-	(7 495)
	-	**160 147**

Riverbank House, 95 - 103 Upper Thames Street, London EC4R 3TJ		
Long Leasehold Interest in land for a term of 155 years from 31 August 2007. The Head Lease contains a no cost option to renew for a further 50 years beyond this date. The property has been developed and is let in its entirity with a 25.5 year lease term from 26 May 2010. The property has been mortgaged as security for the liability noted in note 14.		
- Purchase price: December 2017	485 522	485 522
- Capitalised expenditure	3 083	3 083
- Fair value adjustments	51 915	51 915
- Foreign exchange movements	(10 000)	(30 680)
	530 520	**509 840**

Land at Buckmore Farm, Winchester Road, Petersfield GU32 3BU		
Land held under title deed number SH46251		
- Purchase price: June 2016	1 622	1 622
- Capitalised expenditure	3 313	906
- Foreign exchange movements	120	35
	5 055	**2 563**

Registers with details of land and buildings are available for inspection by shareholders or their duly authorised representatives at the registered office of the company.

Details of valuation

The effective date of the valuations was 31 December 2019. The investment properties are disclosed at the directors valuation as at the reporting date. The investment properties are independently valued periodically.

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

Notes to the Group Annual Financial Statements

Figures in US Dollar thousand	2019	2018

4. Interests in subsidiaries

Subsidiaries

Subsidiary	Nature of business	% Ownership interest 2019	% Ownership interest 2018
Axel Finance Company Limited	Asset lending	68.60 %	68.60 %
Basinghall Properties Limited	Property holding	100.00 %	100.00 %
Caro Investment Holdings Limited	Investment holding	68.60 %	68.60 %
City Properties (London) Limited	Property holding	100.00 %	100.00 %
Fireblade Automotive Limited	Investment holding	68.60 %	68.60 %
Kiklo Cars Limited	Investment holding	68.60 %	68.60 %
Kiklo Cars USA LLC	Investment holding	68.60 %	68.60 %
Mayfair Properties Limited	Property holding	- %	31.50 %
P43 Limited	Property holding	100.00 %	100.00 %
Pikes Peak Properties Limited	Property holding	68.60 %	68.60 %
Primezone Properties Limited	Investment holding	- %	100.00 %
Project 2 Holdings Limited	Investment holding	34.30 %	34.30 %
Riverbank House Unit Trust	Property holding	100.00 %	100.00 %
Riverbank Unit Co 1 Limited	Investment holding	100.00 %	100.00 %
Riverbank Unit Co 2 Limited	Investment holding	100.00 %	100.00 %
Trimantle Unit Trust	Property holding	100.00 %	100.00 %
Zeno (Ireland) Funds PLC	Property holding	- %	100.00 %
Zeno Capital (UK) Limited	Investment holding	70.00 %	70.00 %

5. Investments in associates

Name of company	% ownership interest 2019	% ownership interest 2018	Carrying amount 2019	Carrying amount 2018
Primezone Properties Limited	30.00 %	- %	19 089	-

6. Loans (from) to associated companies

Associates		
Primezone Properties Limited The loan is unsecured, interest free and has no fixed terms of repayment.	(4 262)	-
Related companies The loans are unsecured, interest free and have no fixed terms of repayment.	13 691	13 536
	9 429	**13 536**

Notes to the Group Annual Financial Statements

Figures in US Dollar thousand	2019	2018

7. Other financial and investment assets

At fair value through profit or loss - designated		
Other investment assets	100 553	98 060
Investment in investment cars. Investment cars are held for long term capital appreciation.		
At fair value through profit or loss - held for trading		
Listed shares	-	3
Listed shares in the Bank of Cyprus Public Company Limited. The shares were listed on the ASE in December 2014.		
Loans and deposits at amortised cost		
Loan to Lanzante Limited	3 024	4 312
Loan facility for the Porsche Tag Project		
Deposits paid	2 608	3 599
Deposits paid relating to the acquisition of investment cars.		
Note receivable	46 964	-
8.22% Fixed Rate Eurobond issued by P137 Limited and listed on the International Stock Exchange. The holder has the right to redeem the note at par value plus accrued interest and fixed rate break costs at any time in the next 12 months. The loan was redeemed in full subsequent to year end.		
	52 596	**7 911**
Total other financial and investments assets	**153 149**	**105 974**
Non-current assets		
Designated as at FV through profit (loss) (FV through income)	100 553	98 060
Held for trading (fair value through income)	-	3
Loans and deposits	5 632	7 911
	106 185	**105 974**
Current assets		
Loans and deposits	46 964	-
	153 149	**105 974**

8. Trade and other receivables

Financial instruments:		
Trade receivables	-	1
Deposits	-	81
McLaren F1 GTR book project	6	-
Other receivables	918	1 028
Non-financial instruments:		
Prepayments	905	969
Total trade and other receivables	**1 829**	**2 079**

9. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	12 336	12 947

Notes to the Group Annual Financial Statements

Figures in US Dollar thousand	2019	2018

10. Share capital

Authorised		
100 000 Ordinary shares of US$ 1 000 each	100 000	100 000
Reconciliation of number of shares issued:		
Reported as at 01 January	64 455	46 748
Issue of shares – ordinary shares at US$ 3 100 each	-	17 707
	64 455	**64 455**
Issued		
64 455 Ordinary shares	136 610	136 620

11. Foreign currency translation reserve

Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.

Opening balance	(14 562)	2 104
Current year movement	18 932	(16 666)
	4 370	**(14 562)**

12. Treasury capital

2 728 shares at US$ 3 100 per share	(8 457)	(8 457)
100 shares sold at US$ 3 100 per share	310	-
2 628 (2018: 2 728) shares at US$ 3 100 per share	**(8 147)**	**(8 457)**

13. Loans from group companies

Holding company

HBW Group Proprietary Limited	9 481	5 831
The loan is unsecured, interest free and convertible into Ordinary Shares.		

Fellow subsidiaries

P 137 Limited	7 579	-
The loan is unsecured, interest free and has no fixed terms of repayment.		

Split between non-current and current portions

Non-current liabilities	17 060	5 831
	17 060	**5 831**

Notes to the Group Annual Financial Statements

Figures in US Dollar thousand	2019	2018
14. Borrowings		
Held at amortised cost		
Mortgage bond 35 Basinghall Street, London HSH Nordbank secured loan (Initially GBP 206 000 000, balance outstanding as at 31 December 2019 GBP 168 272 603). The interest margin is 2.00% above 3 month Libor and the maturity date is 30 June 2023. There is a partial cash sweep from the net operating income of the property to repay capital under the facility. The loan is secured by the property described in note 2.	223 180	216 352
Mortgage bond Dry Goods Distribution Centre, Lanistown Secured loan (Initially EUR 94 392 674) bearing interest at a fixed rate. Interest is paid quarterly in arrears. The loan is repaid in 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. The loan was settled during the year.	-	94 963
Mortgage bond Riverbank House, 95 - 103 Upper Thames Street, London HSH Nordbank made a loan available to RHUT totalling GBP 253 200 000 (Balance outstanding as at 31 December 2019 GBP 248 920 273). The interest margin is 2.5% above 3 month Libor and the maturity date is June 2024. There is a partial cash sweep from the net operating income of the property to repay capital under the facility. The facility is secured by the Long Leasehold Interest and the units in the unit trust.	330 143	318 672
Mortgage bond 111 - 113 Park Street London Secured loan (Initially GBP 10 500 000) bearing interest at a linked rate. Interest is paid quarterly in arrears. The loan was repayable within 24 months of the initial draw down which ocurred in December 2016. The loan has been settled in full.	-	11 041
Profit sharing option Amount received from Oxygen Asset Management Limited in terms of a profit sharing option agreement, which provides that Oxygen will be entitled to 6.5% share of the profits upon disposal of the Dry Goods Distribution Centre referred to in note 3.	561	572
	553 884	**641 600**

Split between non-current and current portions

	2019	2018
Non-current liabilities	550 497	622 063
Current liabilities	3 387	19 537
	553 884	**641 600**

	2019	2018
15. Financial liabilities at fair value		
At fair value through profit (loss)		
Interest rate swaps Two amortising interest rate swaps with a current notional value of US$ 265 691 048 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 2019 was negative US$ 93 817 072 (2018: negative US$ 79 419 520). The swap is cross collateralised with the facilitating Bank's security interest in the Trimantle Unit Trust and the mortgage over the property. The Unit Trust is counterparty to an amortising fixed-for floating interest rate swap with a current notional amount of US$ 330 520 163, a current fixed rate of 3.5% and a floating rate of 3 months Libor. The swap is secured by the Long Leasehold Interest and the units in Riverbank House Unit Trust. The market value of the swap as at 31December 2019 was negative US$ 137 342 231 (2018: negative US$ 116 146 962).	231 159	195 566
	231 159	**195 566**

Notes to the Group Annual Financial Statements

Figures in US Dollar thousand	2019	2018

16. Deposits received

Held at amortised cost		
Deposits received	846	813

17. Trade and other payables

Financial instruments:		
Trade payables	1 719	907
Other payables	-	179
Accrued audit fees	17	32
Accrued interest	7 853	7 626
Other payables - Oxygen Profit Participation fee	1 835	-
Non-financial instruments:		
Amounts received in advance	9 362	11 837
VAT	1 531	1 828
	22 317	**22 409**

18. Revenue

Revenue from contracts with customers		
Rental income	47 146	49 227
Recoveries	590	517
	47 736	**49 744**

19. Operating losses

Foreign exchange losses		
Net foreign exchange loss	(66)	(26)

20. Operating profit

Operating profit for the year is stated after charging (crediting) the following, amongst others:

Auditor's remuneration - external		
Audit fees	66	43

Leases

Operating lease charges		
Premises	1 108	1 201

21. Investment income

Interest income		
Investments in financial assets:		
Debt instruments at fair value through profit or loss	4 772	3 072
Trade and other receivables	1	1
Other financial assets	3 024	-
Total interest income	**7 797**	**3 073**

Notes to the Group Annual Financial Statements

Figures in US Dollar thousand		2019	2018
22. Finance costs			
Non-current borrowings		22 052	20 030
Financial liabilities at fair value through profit (loss)		22 616	23 644
Total finance costs		**44 668**	**43 674**
23. Non-operating gains (losses)			
Losses on disposals, scrappings or settlements			
Write off of investments in subsidiaries classified as held to maturity		-	(1 292)
Sale of other financial and investment assets		(29)	(45)
Sale of investments in subsidiaries	4	2 351	-
		2 322	**(1 337)**
Fair value gains (losses)			
Investment property	3	22 754	-
Loans from group companies	13	367	2 195
Financial liabilities designated as at fair value through profit or loss		(26 690)	(10 485)
		(3 569)	**(8 290)**
Total other non-operating gains (losses)		**(1 247)**	**(9 627)**
24. Taxation			
Major components of the tax expense			
Current			
Foreign income tax - current period		2 531	-
25. Cash generated from operations			
Loss before taxation		(6 224)	(4 265)
Adjustments for:			
(Gains) losses on disposals, scrappings and settlements of assets and liabilities		(2 322)	1 337
Losses on foreign exchange		66	26
Interest income		(7 797)	(3 073)
Finance costs		44 668	43 674
Fair value losses		3 569	8 290
Non-cash movement in outside shareholder interest		-	2 931
Other non-cash items		(202)	(137)
Changes in working capital:			
Trade and other receivables		250	(200)
Trade and other payables		(91)	(709)
		31 917	**47 874**
26. Tax paid			
Current tax for the year recognised in profit or loss		(2 531)	-
27. Commitments			
Authorised capital expenditure			
Already contracted for but not provided for			
• Investment property		6 799	7 589
• Investment cars		5 295	8 691

This committed expenditure relates to investment properties and investment cars and will be financed by existing cash resources and debt.

Figures in US Dollar thousand

28. Contingencies

There were no contingencies at year end.

29. Related parties

Relationships

Ultimate holding company	Supaluck Investments Proprietary Limited
Holding company	HBW Group Proprietary Limited
Associates	Refer to note 5
Associated companies	Grant Avenue Properties LLC
	Zeno Capital USA Incorporated

Related party balances

	2019	2018
Loan accounts - Owing (to) by related parties		
HBW Group Proprietary Limited	(9 481)	(5 831)
Primezone Properties Limited	(4 262)	-
P137 Limited	(7 579)	-
Associated companies	13 691	13 536

Related party transactions

	2019	2018
Interest paid to (received from) related parties		
P137 Limited	(3 024)	-
Administration fees paid to related parties		
HBW Group Proprietary Limited	1 032	-

30. Directors' emoluments

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

31. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

2019

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	6	9 429	9 429	9 249
Trade and other receivables	8	924	924	924
Cash and cash equivalents	9	12 336	12 336	12 336
		22 689	**22 689**	**22 509**

2018

	Note(s)	Amortised cost	Total	Fair value
Loans to group companies	6	13 536	13 536	13 536
Trade and other receivables	8	1 110	1 110	1 110
Cash and cash equivalents	9	12 947	12 947	12 947
		27 593	**27 593**	**27 593**

Figures in US Dollar thousand 2019 2018

31. Financial instruments and risk management (continued)

Categories of financial liabilities

2019

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Trade and other payables	17	-	11 424	11 424	11 424
Loans from group companies	13	-	17 060	17 060	17 060
Borrowings	14	-	553 884	553 884	553 884
Other financial liabilities at fair value	15	231 159	-	231 159	231 159
		231 159	**582 368**	**813 527**	**813 527**

2018

	Note(s)	Fair value through profit or loss - Designated	Amortised cost	Total	Fair value
Trade and other payables	17	-	8 744	8 744	8 744
Loans from group companies	13	-	5 831	5 831	5 831
Borrowings	14	-	641 600	641 600	641 600
Other financial liabilities at fair value	15	195 566	-	195 566	195 566
		195 566	**656 175**	**851 741**	**851 741**

Capital risk management

The group's objective when managing capital is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The capital structure of the group consists of debt, which includes deposits received, loans from group companies disclosed in notes 13, 14 and 16, cash and cash equivalents disclosed in note 9 and equity as disclosed in the statement of financial position.

Consistent with others in the industry, the group 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. The total equity is represented in the statement of financial position.

There are no externally imposed capital requirements.

31. Financial instruments and risk management (continued)

Financial risk management

Overview

The group'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 group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group's financial performance. The group uses derivative financial instruments to hedge certain risk exposures. Risk management is carried out by the fund managers under policies approved by the directors.

Group treasury identifies, evaluates and hedges financial risks in close co-operation with the group's operating units. The directors provides 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, group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The group's risk to liquidity is a result of the funds available to cover future commitments. The group 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.

Foreign currency risk

The group is exposed to foreign currency risk as a result of certain transactions and borrowings which are denominated in foreign currencies. Exchange rate exposures are managed within approved policy parameters utilising foreign forward exchange contracts where necessary. The foreign currencies in which the group deals primarily are US Dollars, UK Pounds and Euros.

Exchange rates

	2019	2018
US Dollar per unit of foreign currency:		
UK Pound	1.326	1.275
Euro	1.123	1.144