

Zeno Capital Limited

(Registration number 1628131)
Group Annual Financial Statements
for the year ended 31 December 2016

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

Certified Master Auditors (South Africa) Incorporated
Chartered Accountants (SA)
Registered Auditors

Issued 31 March 2017

Zeno Capital Limited

(Registration number 1628131)

Group Annual Financial Statements for the year ended 31 December 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 (SA) 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	31 March 2017

Zeno Capital Limited

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Group Annual Financial Statements for the year ended 31 December 2016

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Preparer

U Jensen
Group Financial Accountant

Published

31 March 2017

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(Registration number 1628131)

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Audit Committee Report

This report is provided by the audit committee appointed in respect of the 2016 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 2016 audit.

The committee satisfied itself through enquiry that the external auditors are 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.

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Group Annual Financial Statements for the year ended 31 December 2016

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

31 March 2017

Zeno Capital Limited

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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.

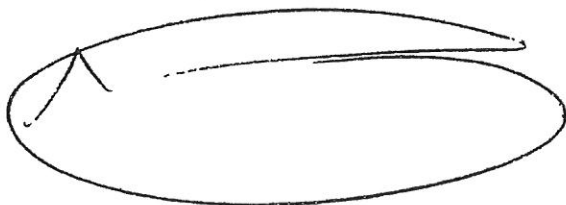
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors sets standards for 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 2017 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.

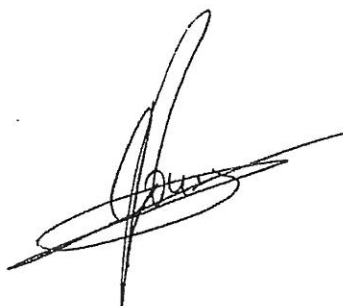
The external auditors are responsible for independently auditing and reporting on the company's group annual financial statements. The group annual financial statements have been examined by the company's external auditors and their report is presented on pages 6 to 8.

The group annual financial statements set out on pages 9 to 34, which have been prepared on the going concern basis, were approved by the directors on 31 March 2017 and were signed on their behalf by:



Director
Johannesburg

31 March 2017



Director

Independent Auditor's Report

To the shareholders of Zeno Capital Limited

Opinion

We have audited the group annual financial statements of Zeno Capital Limited set out on pages 12 to 34, which comprise the Statement of Financial Position as at 31 December 2016, 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 annual financial statements, including a summary of significant accounting policies.

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 2016, 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 annual financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B) (IESBA Code) and other independence requirements applicable to performing audits of 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 annual financial statements for the current period. These matters were addressed in the context of our audit of the group annual 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 valuers 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 Park Street property which was redeveloped during the year and as at year end is substantially complete and will be ready to be let in 2017, and a vacant piece of land.

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 realized 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.

Independent Auditor's Report

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report and the Audit Committee's Report as required by the BVI Business Companies Act, 2004 of Virgin Islands (British), which we obtained prior to the date of this report. Other information does not include the group annual financial statements and our auditor's report thereon.

Our opinion on the group annual 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 annual 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 annual 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.

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 Annual Financial Statements

Our objectives are to obtain reasonable assurance about whether the group annual 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 annual 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 annual 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 annual 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 annual financial statements, including the disclosures, and whether the group annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

Independent Auditor's Report

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 annual 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.



Certified Master Auditors (South Africa) Incorporated
Chartered Accountants (SA)
Registered Auditor
Per: G Davies
Chartered Accountant (SA)
Registered Auditor

31 March 2017
Johannesburg

CMA Office Park
No 1 Second Road
Halfway House
Midrand
South Africa

Zeno Capital Limited

(Registration number 1628131)

Group Annual Financial Statements for the year ended 31 December 2016

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 2016.

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

Authorised Ordinary shares	2016		2015	
	Number of shares		Number of shares	
	50 000		50 000	
Issued Ordinary shares	2016	2015	2016	2015
	\$	\$	Number of shares	Number of shares
	81 727 826	30 091 126	46 748	30 091

Refer to note 9 of the group annual financial statements for detail of the movement in authorised and issued share capital.

3. Authority to buy back shares

At the last AGM, 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. As this general approval remains valid only until the next AGM is held on 31 March 2017, the shareholders will be asked at that meeting to consider a special resolution to renew this general authority until the next AGM.

2 816 shares were repurchased at an average price of \$3 100 per share during the prior year in terms of this general authority. These shares are held as treasury shares. During the current year 40 shares were sold at an average price of \$3 100 per share. In total, 2 776 treasury shares are included in the issued ordinary shares of the company at the reporting date (2015: 2 816).

4. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of the BVI Business Companies Act, 2004. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares under the control of the directors until the next AGM.

5. Dividends

With regards to the terms and conditions of the notes issued, as detailed in note 13, the directors have to accrue an amount of US\$ 1 277 000 (2015: US\$ 2 554 000), which is the minimum guaranteed return due to the holders of these instruments.

6. 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, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

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Group Annual Financial Statements for the year ended 31 December 2016

Directors' Report

7. 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

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

8. Holding company

The company's holding company is HBW Group Proprietary Limited which holds 66.11% (2015: 67.92%) of the company's equity. HBW Group Proprietary Limited is incorporated in South Africa.

9. Ultimate holding company

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

10. Events after the reporting period

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

11. 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.

12. 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.

13. Auditors

Certified Master Auditors (South Africa) Incorporated continued in office as auditors for the company for 2016.

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 2017 financial year.

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Group Annual Financial Statements for the year ended 31 December 2016

Directors' Report

14. 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

15. Date of authorisation for issue of financial statements

The group annual financial statements have been authorised for issue by the directors on 31 March 2017.

Zeno Capital Limited

(Registration number 1628131)

Group Annual Financial Statements for the year ended 31 December 2016

Statement of Financial Position as at 31 December 2016

Figures in US Dollar	Note(s)	2016	2015
Assets			
Non-Current Assets			
Investment property	3	570 293 158	592 246 758
Loans to group companies	5	5 266 362	1 856 741
Other financial and investment assets	6	69 904 409	71 522 200
		645 463 929	665 625 699
Current Assets			
Trade and other receivables	7	7 697 254	781 924
Cash and cash equivalents	8	12 386 856	22 028 457
		20 084 110	22 810 381
Total Assets		665 548 039	688 436 080
Equity and Liabilities			
Equity			
Equity Attributable to Equity Holders of Parent			
Share capital	9	81 727 826	30 091 126
Reserves		103 925 262	41 689 952
Retained income		57 416 486	53 331 323
		243 069 574	125 112 401
Non-controlling interest		12 731 085	5 287 381
		255 800 659	130 399 782
Liabilities			
Non-Current Liabilities			
Other financial liabilities	13	395 546 727	534 021 575
Current Liabilities			
Loans from group companies	5	10 000	-
Other financial liabilities	13	4 206 800	4 346 400
Trade and other payables	14	9 983 853	19 668 323
		14 200 653	24 014 723
Total Liabilities		409 747 380	558 036 298
Total Equity and Liabilities		665 548 039	688 436 080

Zeno Capital Limited

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Group Annual Financial Statements for the year ended 31 December 2016

Statement of Profit or Loss and Other Comprehensive Income

Figures in US Dollar	Note(s)	2016	2015
Revenue	15	25 641 304	29 389 375
Other operating income	16	206 411	451 878
Other operating losses	17	(50 671 922)	(22 013 634)
Other operating expenses		(1 171 573)	(11 760 502)
Operating loss	18	(25 995 780)	(3 932 883)
Investment income	19	1 472 367	1 961 710
Finance costs	20	(23 718 252)	(27 927 850)
Other non-operating gains		53 221 988	-
Profit (loss) before taxation		4 980 323	(29 899 023)
Taxation	21	7 019	(347 184)
Profit (loss) for the year		4 987 342	(30 246 207)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		62 111 310	36 040 648
Other comprehensive income for the year net of taxation	22	62 111 310	36 040 648
Total comprehensive income for the year		67 098 652	5 794 441

Profit (loss) attributable to:

Owners of the parent	5 362 163	(29 794 195)
Non-controlling interest	(374 821)	(452 012)
	4 987 342	(30 246 207)

Total comprehensive income attributable to:

Owners of the parent	67 473 473	6 246 453
Non-controlling interest	(374 821)	(452 012)
	67 098 652	5 794 441

Zeno Capital Limited

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Group Annual Financial Statements for the year ended 31 December 2016

Statement of Changes in Equity

	Share capital	Foreign currency translation reserve	Treasury capital	Unrealised reserve attributable to note holders	Total reserves	Retained income / (Accumulated loss)	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Figures in US Dollar									
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	-	-	-	-	-	(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 01 January 2016	30 091 126	50 419 552	(8 729 600)	-	41 689 952	53 331 323	125 112 401	5 287 381	130 399 782
Profit for the year	-	-	-	-	-	5 362 163	5 362 163	(374 821)	4 987 342
Other comprehensive income	-	62 111 310	-	-	62 111 310	-	62 111 310	-	62 111 310
Total comprehensive income for the year	-	62 111 310	-	-	62 111 310	5 362 163	67 473 473	(374 821)	67 098 652
Issue of shares	51 636 700	-	-	-	-	-	51 636 700	-	51 636 700
Sale of treasury shares	-	-	124 000	-	124 000	-	124 000	-	124 000
Dividends	-	-	-	-	-	(1 277 000)	(1 277 000)	-	(1 277 000)
Changes in ownership interest	-	-	-	-	-	-	-	7 818 525	7 818 525
Total contributions by and distributions to owners of company recognised directly in equity	51 636 700	-	124 000	-	124 000	(1 277 000)	50 483 700	7 818 525	58 302 225
Balance at 31 December 2016	81 727 826	112 530 862	(8 605 600)	-	103 925 262	57 416 486	243 069 574	12 731 085	255 800 659
Note(s)	9	10&22	11	12					

Zeno Capital Limited

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Group Annual Financial Statements for the year ended 31 December 2016

Statement of Cash Flows

Figures in US Dollar	Note(s)	2016	2015
Cash flows from operating activities			
Cash generated from operations	23	8 076 342	25 929 109
Interest income		1 472 367	1 961 710
Tax received	24	7 019	-
Net cash from operating activities		9 555 728	27 890 819
Cash flows from investing activities			
Purchase of investment property	3	(5 914 248)	(1 576 686)
Sale of investment property	3	-	119 194 650
Net movement in investments		-	(3 306 958)
Net movement in related company loans		(3 399 621)	(4 044 812)
Net movement in other financial and investment assets		1 055 149	(42 418 838)
Net cash from investing activities		(8 258 720)	67 847 356
Cash flows from financing activities			
Proceeds on share issue	9	51 636 700	-
Net movement in buy back of shares	11	124 000	(8 729 600)
Net movement in other financial liabilities		(37 704 057)	(56 795 524)
Dividends paid	25	(1 277 000)	(2 554 000)
Finance costs		(23 718 252)	(27 927 850)
Net cash from financing activities		(10 938 609)	(96 006 974)
Total cash movement for the year		(9 641 601)	(268 799)
Cash at the beginning of the year		22 028 457	22 297 256
Total cash at end of the year	8	12 386 856	22 028 457

Zeno Capital Limited

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Group Annual Financial Statements for the year ended 31 December 2016

Accounting Policies

Corporate information

Zeno Capital Limited is a public limited company incorporated and domiciled in Virgin Islands (British).

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.

1.3 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.

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Accounting Policies

1.3 Significant judgements and sources of estimation uncertainty (continued)

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

Trade receivables

The company assesses its trade 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 the financial asset.

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. When such indicators exist, management determine the recoverable amount by performing value in use and fair value calculations. These calculations require the use of estimates and assumptions. When it is not possible to determine the recoverable amount for an individual asset, management assesses the recoverable amount for the cash generating unit to which the asset belongs.

1.4 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.

1.5 Financial instruments

Classification

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

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

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Accounting Policies

1.5 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 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.

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Accounting Policies

1.5 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 and are recognised initially at fair value plus direct transaction costs.

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.

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Accounting Policies

1.5 Financial instruments (continued)

Derivatives

Derivative financial instruments, which are not designated as hedging instruments, consisting of foreign exchange contracts and 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.

1.6 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.

1.7 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.

1.8 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.

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Accounting Policies

1.8 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.

1.9 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.

1.10 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.

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Accounting Policies

1.11 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.

1.12 Borrowing costs

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

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Accounting Policies

1.13 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 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.

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.

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Figures in US Dollar

2016

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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:
<ul style="list-style-type: none">Amendments to IFRS 10, 12 and IAS 28: Investment Entities. Applying the consolidation exemption	01 January 2016	The impact of the amendment is not material.
<ul style="list-style-type: none">Amendment to IFRS 5: Non-current Assets Held for Sale and Discontinued Operations: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
<ul style="list-style-type: none">Amendment to IFRS 7: Financial Instruments: Disclosures: Annual Improvements project	01 January 2016	The impact of the amendment is not material.
<ul style="list-style-type: none">Disclosure Initiative: Amendment to IAS 1: Presentation of Financial Statements	01 January 2016	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

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 2017 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
<ul style="list-style-type: none">IFRS 16 Leases	01 January 2019	Impact is currently being assessed
<ul style="list-style-type: none">IFRS 9 Financial Instruments	01 January 2018	Impact is currently being assessed
<ul style="list-style-type: none">IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
<ul style="list-style-type: none">Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	Unlikely there will be a material impact
<ul style="list-style-type: none">Amendments to IAS 7: Disclosure initiative	01 January 2017	Not expected to impact results but may result in additional disclosure

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Figures in US Dollar

2016

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3. Investment property

	2016			2015		
	Cost / Valuation	Accumulated depreciation	Carrying value	Cost / Valuation	Accumulated depreciation	Carrying value
Investment property	570 293 158	-	570 293 158	592 246 758	-	592 246 758

Reconciliation of investment property - 2016

	Opening balance	Additions	Fair value adjustments	Total
Investment property	592 246 758	5 914 248	(27 867 848)	570 293 158

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

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	39 337 964	82 981 311
	387 072 653	430 716 000

111 - 113 Park Street, Mayfair, London, W1K

The property is currently in the process of being redeveloped. As at 31 December 2016 the redevelopment was substantially complete. The property has been mortgaged as security for the liability noted in note 13.

- Purchase price: November 2013	18 214 028	18 214 028
- Capitalised expenditure and additions	8 196 384	3 904 230
	26 410 412	22 118 258

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	165 928
- Fair value adjustments	16 152 872	377 372
- Foreign exchange movements	(12 454 223)	(12 454 223)
	155 188 000	139 412 500

Land at Buckmore Farm, Winchester Road, Petersfield GU32 3BU

Land held under title deed number SH46251

- Purchase price: June 2016	1 622 093	-
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Figures in US Dollar

2016

2015

3. Investment property (continued)

Details of valuation

The effective date of the revaluations was 31 December 2016. 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 valuation since the balance sheet date.

Amounts recognised in profit and loss for the year

Rental income from investment property	25 480 266	29 187 239
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4. Interests in subsidiaries

Name of company	Nature of business	Carrying amount 2016	Carrying amount 2015
Abatewood Limited	Property holding	100.00 %	100.00 %
Axel Finance Company Limited	Asset lending	68.60 %	100.00 %
Basinghall Properties Limited	Property holding	100.00 %	100.00 %
Caro Investment Holdings Limited	Investment holding	68.60 %	87.90 %
City Properties (London) Limited	Property holding	100.00 %	100.00 %
Kiklo Cars Limited	Investment holding	68.60 %	87.90 %
Kiklo Cars USA LLC	Investment holding	68.60 %	87.90 %
Kreis Kapital UG	Investment holding	68.60 %	87.90 %
Mayfair Properties Limited	Property holding	31.50 %	31.50 %
Pikes Peak Properties Limited	Property holding	68.60 %	87.90 %
Primezone Properties Limited	Investment holding	100.00 %	100.00 %
Trimantle Unit Trust	Property holding	100.00 %	100.00 %
Zeno (Ireland) Funds PLC	Property holding	100.00 %	100.00 %

5. Loans to (from) group companies

Holding company

HBW Group Proprietary Limited	5 266 362	1 856 741
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The loan is unsecured, interest free and has no fixed terms of repayment. The loan relates to offshore subsidiaries of HBW Group Proprietary Limited. The loan is not expected to be repaid in the next twelve months.

Fellow subsidiaries

Zeno Capital (USA) Incorporated	(10 000)	-
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The loan is unsecured, interest free and has no fixed terms of repayment. The loan is not expected to be repaid in the next twelve months.

Non-current assets	5 266 362	1 856 741
Current liabilities	(10 000)	-
	5 256 362	1 856 741

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Notes to the Group Annual Financial Statements

Figures in US Dollar	2016	2015
6. Other financial and investment assets		
At fair value through profit or loss - designated		
Other investment assets	67 895 532	68 436 859
Investment in investment cars		
At fair value through profit or loss - held for trading		
Listed shares	4 411	4 816
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	2 004 466	3 080 525
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. The CPI swap and the IRS swap can not be cancelled, novated, transferred or otherwise disposed of independently of each other.		
Total other financial assets	69 904 409	71 522 200
Non-current assets		
Designated as at fair value through profit (loss)	67 895 532	68 436 859
Held for trading (fair value through profit (loss))	4 411	4 816
Held to maturity	2 004 466	3 080 525
	69 904 409	71 522 200

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 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	57 926	65 464
Deposits paid	1 384 359	56 814
Short term loan	5 813 540	-
Other receivables	441 429	659 646
	7 697 254	781 924

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Figures in US Dollar	2016	2015
8. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Bank balances	12 386 856	14 094 355
Short-term deposits	-	7 934 102
	12 386 856	22 028 457
9. Share capital		
Authorised		
50 000 Ordinary shares of US\$1 000 each	50 000 000	50 000 000
Issued		
46 748 (2015: 30 091) Ordinary shares	81 727 826	30 091 126
10. Foreign currency translation reserve		
Translation reserve comprises exchange differences on consolidation of foreign subsidiaries.		
Opening balance	50 419 552	14 378 904
Current year movement	62 111 310	36 040 648
	112 530 862	50 419 552
11. Treasury capital		
2 816 shares at \$3 100 per shares	(8 729 600)	(8 729 600)
40 shares sold at \$3 100 per share	124 000	-
Remaining shares 2 776	(8 605 600)	(8 729 600)
12. Unrealised reserve attributable to note holders		
The unrealised reserve related to the expected profit participation of the Perpetual Participating Notes detailed below in note 13.		
Opening balance	-	19 081 006
Current year movement	-	(19 081 006)
	-	-
13. Other financial liabilities		
At fair value through profit (loss)		
Interest rate swaps	69 943 003	63 240 590
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 2016 was negative US\$ 64 870 189 (2015: negative US\$ 56 808 410). 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 2016 was negative US\$ 5 072 814 (2015: Negative US\$ 6 432 180).		

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Notes to the Group Annual Financial Statements

Figures in US Dollar	2016	2015
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.	226 484 569	272 372 724
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.	91 660 905	99 120 363
Mortgage bond 111 - 113 Park Street London Secured loan bearing interest at a linked rate. Interest is paid quarterly in arrears. The loan is repayable within 24 months of the initial draw down which occurred in December 2016.	11 106 000	-
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. During the year, the notes were converted into ordinary shares.	-	60 607 616
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 of working capital. During the year, the notes were converted into ordinary shares.	-	43 026 682
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 a 6.5% share of the profits upon disposal of the Dry Goods Distribution Centre referred to in note 3. Should this disposal not occur before 14 October 2021, Oxygen will have the option to exercise its right to a share of the profits as determined at the date upon which the option is exercised.	559 050	-
	329 810 524	475 127 385
	399 753 527	538 367 975
Non-current liabilities		
Fair value through profit or loss	69 943 003	63 240 590
At amortised cost	325 603 724	470 780 985
	395 546 727	534 021 575
Current liabilities		
At amortised cost	4 206 800	4 346 400
	399 753 527	538 367 975

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Notes to the Group Annual Financial Statements

Figures in US Dollar	2016	2015
14. Trade and other payables		
Trade payables	659 971	61 895
Amounts received in advance	5 396 688	6 071 385
VAT	453 496	874 479
Other payables	608 747	9 105 553
Accrued audit fees	21 597	19 014
Other accrued expenses	2 843 354	3 535 997
	9 983 853	19 668 323
15. Revenue		
Rental income	25 480 266	29 187 239
Recoveries	161 038	202 136
	25 641 304	29 389 375
16. Other operating income		
Fees earned	-	451 878
Other income	206 411	-
	206 411	451 878
17. Other operating gains (losses)		
Gains (losses) on disposals, scrappings and settlements		
Other investment assets	21 557	372 918
Foreign exchange gains (losses)		
Net foreign exchange loss	(509 903)	(100 974)
Fair value gains (losses)		
Investment property	(30 997 602)	5 409 237
Financial Instruments at fair value through profit or loss:		
Derivatives	(18 654 386)	(29 514 417)
Designated as such at Initial recognition	(531 588)	1 819 602
	(50 183 576)	(22 285 578)
Total other operating gains (losses)	(50 671 922)	(22 013 634)
18. Operating profit (loss)		
Operating loss for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	24 536	19 307
Leases		
Operating lease charges		
Premises	1 323	26 305
Other		
Other operating losses	50 671 922	22 013 634

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Figures in US Dollar	2016	2015	
18. Operating profit (loss) (continued)			
Expenses by nature			
Operating lease charges	1 323	26 305	
Depreciation, amortisation and impairment	-	3 306 958	
Other expenses	1 170 250	8 427 239	
	1 171 573	11 760 502	
19. Investment income			
Interest income			
From investments in financial assets:			
Bank and other cash	-	41 792	
Interest received - Swaps	1 471 982	1 795 584	
Other interest received	385	50 466	
From loans to group and other related parties:			
Subsidiaries	-	73 868	
Total interest income	1 472 367	1 961 710	
20. Finance costs			
Group companies	-	418 660	
Non-current borrowings	9 306 941	11 639 444	
Interest paid - Swaps	14 411 311	15 869 216	
Other interest paid	-	530	
Total finance costs	23 718 252	27 927 850	
21. Taxation			
Major components of the tax (income) expense			
Current			
Foreign income tax or withholding tax - current period	(7 019)	6 653	
Foreign income tax or withholding tax - recognised in current tax for prior periods	-	340 531	
	(7 019)	347 184	
22. Other comprehensive income			
Components of other comprehensive income - 2016			
	Gross	Tax	Net
Items that may be reclassified to profit (loss)			
Exchange differences on translating foreign operations			
Exchange differences arising during the year	62 111 310	-	62 111 310

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Figures in US Dollar

22. Other comprehensive income (continued)

Components of other comprehensive income - 2015

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

23. Cash generated from operations

Profit (loss) before taxation	4 980 323	(29 899 023)
Adjustments for:		
Gains on disposals, scrapings and settlements of assets and liabilities	(53 243 545)	(372 918)
Losses (gains) on foreign exchange	509 903	-
Interest income	(1 472 367)	(1 961 710)
Finance costs	23 718 252	27 927 850
Fair value adjustments	50 183 576	22 285 578
Impairment losses and reversals	-	3 306 958
Changes in working capital:		
Trade and other receivables	(6 915 330)	(417 561)
Trade and other payables	(9 684 470)	5 059 935
	8 076 342	25 929 109

24. Tax refunded (paid)

Balance at beginning of the year	-	327 687
Current tax for the year recognised in profit or loss	7 019	(347 184)
Foreign exchange movement	-	19 497
	7 019	-

25. Dividends paid

Dividends	(1 277 000)	(2 554 000)
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Dividends paid of US\$1 000 per note (2015: US\$2 000) on the 2% Perpetual Participating Notes up to the date of conversion.

Dividends paid of US\$1 500 per note (2015: US\$3 000) on the 3% Perpetual Participating Notes up to the date of conversion.

26. Commitments

Authorised capital expenditure

Already contracted for but not provided for

• Investment cars	4 121 486	-
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This committed expenditure relates to investment cars and will be financed by existing cash resources.

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\$ 36 515 471 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.

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Figures in US Dollar	2016	2015
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28. Related parties

Relationships
Ultimate holding company
Holding company

Supaluck Investments Proprietary Limited
HBW Group Proprietary Limited

Related party balances

Loan accounts - Owning (to) by related parties

HBW Group Proprietary Limited	5 266 362	1 856 741
Zeno Capital (USA) Incorporated	(10 000)	-

Perpetual Participating Notes owing to related parties

Investec Securities Limited - As nominee	-	(102 695 296)
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Related party transactions

Interest paid to (received from) related parties

HBW Group Proprietary Limited	-	344 792
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Dividends accrued to related parties

Investec Securities Limited - As nominee	1 277 000	2 528 000
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29. Directors' emoluments

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

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 others in the industry, 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 a central treasury department (company treasury) under policies approved by the directors. Company treasury identifies, evaluates and hedges financial risks in close co-operation with the company'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.

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Figures in US Dollar

2016

2015

30. Risk management (continued)

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 2016 and 2015, the company's borrowings at variable rates were denominated in the US Dollar, UK Pound and 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.

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:

GBP	1.2340	1.4734
EURO	1.0517	1.0866

