SOUTH AFRICAN PROPERTY OPPORTUNITIES PLC

Annual Report

Year ended 30 June 2017

CONTENTS

Directors and Advisers

Directors	David Hunter (Non-executive Chairman) John Chapman (Executive Director) Craig McMurray (Executive Director) David Saville (Non-executive Director) Stephen Coe (Non-executive Director) all of the registered office below
Registered Office	Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Investment Manager	Bridgehead Real Estate Fund (Pty) Ltd 1st Floor 82 Maude Street Sandton, 2196 Gauteng Province South Africa
Nominated Adviser and Broker	Panmure Gordon (UK) Limited One New Change London EC4M 9AF
Channel Islands Sponsor	Carey Commercial Limited 1st and 2nd Floors Elizabeth House Les Ruettes Braye St Peter Port Guernsey GY1 4LX
Administrator and Registrar	Galileo Fund Services Limited Millennium House 46 Athol Street Douglas Isle of Man IM1 1JB
Auditor	BDO LLP 55 Baker Street London W1U 7EU

Chairman's Statement

On behalf of the Board, I present the results for South African Property Opportunities plc ("SAPRO" or "the Company") and its subsidiaries (the "Group") for the year ended 30 June 2017.

In December 2016 the Company reported that a contract had been concluded to sell the remaining assets for ZAR 60 million (£3.71 million). Of this ZAR 25 million (£1.49 million) had already been received with the remainder due in February (ZAR 11 million (£0.70 million)) and June 2017 (ZAR 24 million (£1.52 million)), secured by bank guarantees. As I reported in the interim accounts, this contract remains in place and binding, but the Company has been negotiating with the partner at the Brakpan asset regarding a pre-emption right. As a result the February payment, which is for the Brakpan asset, has continued to be delayed.

Performance

As at 30 June 2017 the EPRA net asset value per share ("NAV"), taking into account the contracted sales and distribution costs was 1 pence compared with 11 pence at 30 June 2016. The change in NAV primarily relates to the two distributions paid during the year (7.25 pence per Ordinary Share on 27 January 2017 and 2 pence per Ordinary Share on 23 June 2017). The change in NAV also includes a currency gain of 1 pence per share, operating expenses of 1 pence per share and a provision for future costs of 1 pence per share. The Company does not hedge its South African Rand exposure. The Company has no bank debt.

Valuation

The portfolio was not revalued externally at 30 June 2017 and the figures adopted in the accounts are based on the agreed Brakpan sale price equivalent of ZAR 22 million. However in view of the difficulty which the Investment Manager has experienced in enforcing the contract, the scale and timing of the ultimate receipt is undetermined.

The key efforts of the Investment Manager are focused on receiving the contracted sums and negotiating the pre-emption arrangements on the Brakpan asset.

On receipt of the final payment steps will be taken to wind up the Company. The Board has already served notice where appropriate under various service agreements.

David Hunter
Chairman
27 December 2017

Report of the Directors

The Directors hereby submit their annual report together with the audited consolidated financial statements of South African Property Opportunities plc (the "Company") and its subsidiaries (the "Group") for the year ended 30 June 2017.

The Company
The Company is incorporated in the Isle of Man under the Isle of Man Companies Act 2006 and holds a portfolio of property interests in South Africa.

Currency and debt
The Group does not hedge its exposure in its Rand assets and liabilities.

Divestment strategy
Following a strategic review the Company intends to dispose of the Group's portfolio where acceptable returns can be generated and return excess capital to shareholders.

Results and dividends
The results and position of the Group at the year end are set out on pages 11 to 30 of the financial statements.

The Company is now operating as a realisation company and the net asset value includes an estimate of liquidation costs and a provision for fees and expenses expected to be incurred in realising the assets. The financial statements have therefore been prepared on a non-going concern basis.Two distributions were paid during the year, 7.25 pence per Ordinary Share on 27 January 2017 and 2 pence per Ordinary Share on 23 June 2017 (2016: 5 pence per Ordinary Share on 16 October 2015).

Directors
The Directors who served during the year and up to the date of this Report were as follows:

David Hunter - Chairman
John Chapman
Craig McMurray
David Saville
Stephen Coe

Directors and other interests
Save as disclosed in note 22, none of the Directors had any interest during the year in any material contract for the provision of services which was significant to the business of the Company.

Independent auditor
BDO LLP, being eligible, has indicated its willingness to continue in office.

Corporate governance
Whilst not being required to comply with Corporate Governance requirements, the Directors recognise the importance of sound corporate governance. The Directors are responsible for overseeing the effectiveness of the internal controls of the Company designed to ensure that proper accounting records are maintained, that the financial information on which business decisions are made and which is issued for publication is reliable and that the assets of the Group are safeguarded.

The Board has established the following committees with specific areas of responsibility.

<u>Audit Committee</u>
The Audit Committee comprises David Saville (Chairman), David Hunter and Stephen Coe. The Audit Committee meets at least twice a year and is responsible for ensuring that the financial performance of the Group is properly reported on and monitored, including reviews of the annual and interim financial statements, results announcements, internal control systems and procedures and accounting policies.

Report of the Directors (continued)

Nomination Committee
The Nomination Committee comprises David Saville (Chairman) and David Hunter. The Nomination Committee is responsible for ensuring that the Board consists of members with the range of skills and qualities to meet its principal responsibilities in a way which ensures that the interests of stakeholders are protected and promoted, and the requirements of the AIM rules are complied with.

Remuneration Committee
The Remuneration Committee comprises David Saville (Chairman), David Hunter and Stephen Coe. The Remuneration Committee meets as required and is responsible for determining and agreeing the remuneration for all members of the Board. No director can vote/take part in the discussion of their own remuneration.

Management Engagement Committee

The Management Engagement Committee comprises John Chapman (Chairman) and David Hunter. The Management Engagement Committee meets as required and is responsible for reviewing the performance of the Investment Manager and for ensuring that the Company's management contract is competitive and reasonable for the Company's shareholders. It is also responsible for reviewing the performance of other third party service providers.

On behalf of the Board

Stephen Coe
Director
27 December 2017

Directors' Biographies

The Company has a board of five Directors, all of whom are independent of the Company's Investment Manager and other service providers except for Craig McMurray who is an executive director of the Investment Manager. Details of the Directors are as follows:

David Hunter - Chairman
David Hunter is a UK-based property fund consultant. For twenty years up to 2005 he was a leading property fund manager ultimately responsible for €10bn of property assets across Europe for Arlington Property Investors. David is a fellow of the Royal Institution of Chartered Surveyors, a former President of the British Property Federation, and a member of the Bank of England Property Forum.

John Chapman – Executive Director
John Chapman is a member of the New York State Bar and the CFA Institute. He is currently a director of a number of other quoted investment funds.

Craig McMurray – Executive Director
Craig McMurray is the managing director of Bridgehead Real Estate Fund (Pty) Limited, a private equity real estate investment company. He is also CEO of Respublica (Pty) Ltd which is a developer, owner and manager of a national student accommodation portfolio in South Africa. Respublica Student Living is a joint venture with Redefine Properties Limited a listed REIT on the Johannesburg Stock Exchange (JSE). Previously Craig was head of Credit Projects at Standard Bank of South Africa Limited.

David Saville
David Saville is an Isle of Man based property fund manager currently managing a number of property sector investment vehicles with investments predominantly in the UK and Australia. From 1992 to 2001 David was the Managing Director of Saville Gordon Estates Plc, which he was instrumental in repositioning as a FTSE 250 property company specialising in industrial property. David is a member of the Royal Institution of Chartered Surveyors.

Stephen Coe
Stephen qualified as a Chartered Accountant with Price Waterhouse in 1990 and remained in audit practice, specialising in financial services, until 1997. From 1997 to 2003 he was a director of the Bachmann Group of fiduciary companies and Managing Director of Bachmann Fund Administration Limited, a specialist third party fund administration company. From 2003 to 2006 Stephen was a director with Investec in Guernsey and Managing Director of Investec Trust (Guernsey) Limited and Investec Administration Services Limited. He became self employed in August 2006 and is a director of a number of listed and unlisted investment funds and offshore companies including Raven Russia Limited, European Real Estate Investment Trust Limited, Kolar Gold Limited, Trinity Capital PLC and Weiss Korea Opportunity Fund Ltd. He has been involved with offshore investment funds and managers since 1990 with significant exposure to property, debt, emerging markets and private equity investments.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

The Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRSs") (as adopted by the European Union). The Directors are also required to prepare the financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market. In preparing those financial statements it is the Directors' responsibility to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business as explained in note 2.1 to the financial statements, the Directors do not believe the going concern basis to be appropriate and, in consequence, these financial statements have not been prepared on that basis; and
- prepare financial statements which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the Board

Stephen Coe
Director
27 December 2017

Independent auditor's report to the members of South African Property Opportunities plc

Qualified opinion

We have audited the consolidated financial statements of South African Property Opportunities plc and its subsidiaries (the ‘Group’) for the year 30 June 2017 which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated statement of changes in equity, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, except for the effects of the matter described in the Basis for qualified opinion section, the Group financial statements:

- give a true and fair view of the state of the Group’s affairs as at 30 June 2017 and of its profit for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Basis for qualified opinion

During the year the Group entered into a disposal agreement for a subsidiary which has subsequently been disputed by the purchaser (note 14). The directors have classified the assets and liabilities as a disposal group and included the fair value of the assets at the contracted amount. The net liabilities of the disposal group total £320,000 and a non-controlling interest of negative £940,000 arises. Because of the dispute it is neither possible to determine if the disposal will complete at either the contracted amount or at all, nor can it be established if the assets of the disposal group are recoverable at the values included in the financial statements. Given the nature of the inventory assets and the ownership structure we were unable to obtain sufficient appropriate audit evidence to by performing alternative audit procedures to ascertain a valuation with material certainty and consequently, we were unable to determine whether any adjustments to these amounts were necessary.

In addition to the above a liability and expense of £512,000 has been included in the financial statements relating to the directors’ estimate of liquidation costs and a provision for fees and expenses expected to be incurred in realising the assets. The provision for future costs without an obligation at the balance sheet date is not permitted by International Accounting Standard 39. We have not performed any audit procedures on the quantum of the provision. Accordingly, provisions should be reduced by £512,000 and profit for the year increased by the same amount.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Financial statements prepared on a basis other than that of a going concern

We draw attention to note 2.1 in the financial statements which indicates that the Group’s objective is the orderly realisation of its assets with a view to returning capital to the shareholders thereafter, hence the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

Independent auditor's report to the members of South African Property Opportunities plc (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. 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.

Accounting for disposals of subsidiaries and assets held for sale

Key audit matter	Response
Due to the material effect in the Group's financial statements and the judgements in establishing the fair values of assets held for sale, this was considered as key audit matter. As disclosed in note 23 of the financial statements, the Group sold its holding in and intercompany loan with its principal South African subsidiary, SAPSPV Holdings RSA (Pty) Limited, along with all of its subsidiaries. As explained in note 14 to the financial statements the Group has classified its subsidiary, Madison Park Properties 40 (Pty) Limited as asset held for sale. During the year a disposal contract was signed in relation to this subsidiary but at the date of this report the disposal has not completed and the ability of the company to enforce the contract has been disputed by the purchaser.	As part of our audit work, we assessed whether the disposal of the subsidiaries and the related profit on disposal were properly accounted in the financial statements. Our audit work included, but was not restricted to the following: • We reviewed the contract documentation for the sale transactions and the accounting entries prepared by management to consider if the treatment proposed and disclosed is appropriate. • We considered whether the conditions for classification as a disposal Group under IFRS 5 have been met, and have reviewed the appropriateness of the financial statement disclosures. • We note that because of the dispute in relation the held for sale disposal group the evidence was limited to us and consequently our audit report is qualified in relation to this.

Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage we set an overall level of materiality for the financial statements as a whole based on our understanding of the elements of the financial statements that are likely to be of greatest significance to users. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at £40,000 (2016 - £100,000). This was determined with reference to a benchmark of total assets and represents 2% of total assets. This was considered to be the most appropriate measurement as the Group is a closed-end fund with the investment objective to achieve an optimal liquidation of its portfolio of land and other assets. The reduction in materiality from last year is due to the decrease in total assets.

We agreed with the Audit Committee that we would report to them all individual audit differences in excess of £1,000. We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the Group's system of internal control, and assessing the risks of material misstatement in the financial statements at the Group level.

Independent auditor's report to the members of South African Property Opportunities plc (continued)

In determining the scope of our audit we considered the level of work to be performed at each component in order to ensure sufficient assurance was gained to allow us to express an opinion on the financial statements of the Group as a whole. A full scope audit was carried out on each component.

We tailored the extent of the work to be performed at each component based on our assessment of the risk of material misstatement at each component. BDO LLP reviewed the working papers of the subsidiary auditor (a BDO member firm) to enable sufficient appropriate audit evidence to be obtained on the subsidiaries held in South Africa.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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. As described in the Basis for qualified opinion section above, we were unable to obtain sufficient appropriate audit evidence regarding the assets of the disposal group and consequently we are unable to determine whether adjustments to the assets of the disposal group, the profit for the year and retained earnings might be necessary. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter. As also as described in the Basis for qualified opinion section above, the Group has recognised provision for liquidation costs and fees and expenses expected to be incurred in realising the assets. We have concluded that the other information is materially misstated for the same reason with respect to these matters.

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

This report is made solely to the company’s members, as a body, in accordance with section 80C of the Isle of Man Companies Act 2006. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Independent auditor's report to the members of South African Property Opportunities plc (continued)

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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Geraint Jones
For and on behalf of BDO LLP
Chartered Accountants
London
United Kingdom

Date: 27 December 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated Income Statement

	Note	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Revenue – rental income		9	13
Revenue – sale of inventory		-	288
Total revenue		9	301
Total cost of sales	5	(31)	(2,241)
Gross loss		**(22)**	**(1,940)**
Investment management fees	6	(200)	(200)
Performance fees	6	(44)	(80)
Other administration fees and expenses	7	(475)	(545)
Directors incentive payments	7	(115)	(62)
Provisions	8	(512)	-
Administrative expenses		**(1,346)**	**(887)**
Operating loss		**(1,368)**	**(2,827)**
Finance income		4	13
Foreign exchange gain/(loss)	3	3,456	(920)
Net finance income/(expense)		**3,460**	**(907)**
Impairment of assets held for sale	14	(120)	-
Profit on disposal of subsidiary undertakings	23	2,207	1,764
Profit/(loss) before income tax		**4,179**	**(1,970)**
Income tax expense	9	-	-
Profit/(loss) for the year		**4,179**	**(1,970)**
Attributable to:			
- Owners of the Parent		3,925	(1,764)
- Non-controlling interests	18	254	(206)
		4,179	**(1,970)**
Basic and diluted profit/(loss) per share (pence) attributable to the owners of the Parent during the year	10	**6.30**	**(2.83)**

The accompanying notes on pages 16 to 30 form an integral part of these financial statements

Consolidated Statement of Comprehensive Income

	Note	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Profit/(loss) for the year		**4,179**	**(1,970)**
Other comprehensive income			
Items reclassified to profit or loss			
Accumulated foreign exchange differences arising on subsidiary operations reclassified from equity to profit or loss	23	(1,812)	(1,743)
Items that may subsequently be reclassified to profit or loss			
Currency translation differences		(2,734)	250
Other comprehensive expense for the year		**(4,546)**	**(1,493)**
Total comprehensive expense for the year		**(367)**	**(3,463)**
Total comprehensive expense attributable to:			
- Owners of the Parent		(462)	(3,263)
- Non-controlling interests		95	(200)
		(367)	**(3,463)**

The accompanying notes on pages 16 to 30 form an integral part of these financial statements

Consolidated Balance Sheet

	Note	As at 30 June 2017 £'000	As at 30 June 2016 £'000
Assets			
Current assets			
Inventories	11	-	3,187
Trade and other receivables	12	266	2,552
Cash at bank	13	548	1,788
		814	7,527
Assets of disposal group classified as held for sale	14.1	1,284	-
Total current assets		**2,098**	**7,527**
Total assets		**2,098**	**7,527**
Equity			
Capital and reserves attributable to owners of the Parent:			
Issued share capital	15	623	623
Foreign currency translation reserve	16	360	4,747
Retained earnings	16	(198)	1,639
		785	7,009
Non-controlling interests	18	(940)	(1,035)
Total equity		**(155)**	**5,974**
Liabilities			
Current liabilities			
Loans from third parties	19	-	1,280
Trade and other payables	20	137	273
Provisions	8	512	-
		649	1,553
Liabilities of disposal group classified as held for sale	14.2	1,604	-
Total current liabilities		**2,253**	**1,553**
Total liabilities		**2,253**	**1,553**
Total equity and liabilities		**2,098**	**7,527**

The financial statements on pages 11 to 30 were approved and authorised for issue by the Board of Directors on 27 December 2017 and signed on its behalf by:

David Hunter
Director

Stephen Coe
Director

The accompanying notes on pages 16 to 30 form an integral part of these financial statements

Consolidated Statement of Changes in Equity

	Attributable to owners of the parent					
	Share capital	Foreign currency translation reserve	Retained earnings/ (deficit)	Total	Non-controlling interests	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 July 2015	623	6,246	6,518	13,387	(835)	12,552
Comprehensive income/(expense)						
Loss for the year	-	-	(1,764)	(1,764)	(206)	(1,970)
Other comprehensive income						
Accumulated foreign exchange differences arising on subsidiary operations reclassified from equity to profit and loss	-	(1,743)	-	(1,743)	-	(1,743)
Foreign exchange translation differences	-	244	-	244	6	250
Total comprehensive expense for the year	-	(1,499)	(1,764)	(3,263)	(200)	(3,463)
Transactions with owners						
Distributions paid	-	-	(3,115)	(3,115)	-	(3,115)
Total transactions with owners	-	-	(3,115)	(3,115)	-	(3,115)
Balance at 30 June 2016	**623**	**4,747**	**1,639**	**7,009**	**(1,035)**	**5,974**
Balance at 1 July 2016	623	4,747	1,639	7,009	(1,035)	5,974
Comprehensive income/(expense)						
Profit for the year	-	-	3,925	3,925	254	4,179
Other comprehensive income						
Accumulated foreign exchange differences arising on subsidiary operations reclassified from equity to profit and loss	-	(1,812)	-	(1,812)	-	(1,812)
Foreign exchange translation differences	-	(2,575)	-	(2,575)	(159)	(2,734)
Total comprehensive expense for the year	-	(4,387)	3,925	(462)	95	(367)
Transactions with owners						
Distributions paid	-	-	(5,762)	(5,762)	-	(5,762)
Total transactions with owners	-	-	(5,762)	(5,762)	-	(5,762)
Balance at 30 June 2017	**623**	**360**	**(198)**	**785**	**(940)**	**(155)**

The accompanying notes on pages 16 to 30 form an integral part of these financial statements

Consolidated Cash Flow Statement

	Note	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Cash flows from operating activities			
Profit/(loss) for the year before tax		4,179	(1,970)
Adjustments for:			
Interest income		(4)	(13)
Profit on sale of subsidiary	23	(2,207)	(1,764)
Foreign exchange loss	3	(3,456)	920
Operating loss before changes in working capital		**(1,488)**	**(2,827)**
Decrease in inventory		-	2,098
Decrease in trade and other receivables		1	979
Increase in trade and other payables		627	83
Cash (used in)/generated from operations		**(860)**	**333**
Interest received		4	13
Net cash (used in)/generated from operating activities		**(856)**	**346**
Cash flows from investing activities			
Net cash on disposal of subsidiaries	12, 23	5,318	1,399
Movement in cash restricted by bank guarantees		-	42
Net cash generated from investing activities		**5,318**	**1,441**
Cash flows from financing activities			
Distributions paid	15	(5,762)	(3,115)
Net cash used in financing activities		**(5,762)**	**(3,115)**
Net decrease in cash and cash equivalents		(1,300)	(1,328)
Cash and cash equivalents at beginning of the year		1,788	3,096
Foreign exchange losses on cash and cash equivalents		60	20
Cash and cash equivalents at end of the year	13	**548**	**1,788**

The accompanying notes on pages 16 to 30 form an integral part of these financial statements

Notes to the Financial Statements

1 General information

South African Property Opportunities plc (the "Company") was incorporated and registered in the Isle of Man under the Isle of Man Companies Acts 1931 to 2004 on 27 June 2006 as a public limited company with registered number 117001C. On 7 January 2011 with the approval of Shareholders in general meeting, the Company was re-registered as a company under the Isle of Man Companies Act 2006 with registered number 006491v. South African Property Opportunities plc and its subsidiaries' (the "Group") investment objective is the orderly realisation of a portfolio of real estate assets in South Africa and the subsequent return of capital to the shareholders.

The Company's property activities were managed by Group Five Property Developments (Pty) Limited ("Group Five"). Bridgehead Real Estate Fund (Pty) Ltd ("Bridgehead") was appointed as the replacement investment manager with effect from 1 July 2014. The Company's administration is delegated to Galileo Fund Services Limited (the "Administrator"). The registered office of the Company is Millennium House, 46 Athol Street, Douglas, Isle of Man, IM1 1JB.

Pursuant to a prospectus dated 20 October 2006 there was an authorisation to place up to 50 million shares. Following the close of the placing on 26 October 2006, 30 million shares were issued at a price of 100p per share.

The shares of the Company were admitted to trading on the AIM Market of the London Stock Exchange ("AIM") on 26 October 2006 when dealings also commenced. On the same date the shares of the Company were admitted to the Official List of the Channel Islands Stock Exchange (the "CISX").

As a result of a further fundraising in May 2007, 32,292,810 shares were issued at a price of 106p per share, which were admitted to trading on AIM on 22 May 2007.

The Company's agents and its Investment Manager perform all functions, other than those carried out by the Board's executive and non-executive directors. The Group has two executive directors.

Financial year end

The financial year end of the Company is 30 June in each year.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements have been prepared on a non-going concern basis, with assets stated at realisable amounts and provisions of the estimated liquidation costs.

a) New and amended standards adopted by the Group

There were no new standards or interpretations effective for the first time for periods beginning on or after 1 July 2016. None of the amendments to standards that are effective from that date had a significant effect on the Group's financial statements.

Future changes in accounting policies

IASB (International Accounting Standards Board) and IFRIC (International Financial Reporting Interpretations Committee) have issued the following standards and interpretations with an effective date after the date of these financial statements which will or may have an effect on the Group's future financial statements. These standards have not been early adopted by the Group and an assessment of the impact on the future financial statements of the Group has yet to be carried out.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

a) New and amended standards adopted by the Group (continued)

New/Revised International Financial Reporting Standards (IAS/IFRS) in issue but not yet effective	**Effective date** (accounting periods commencing on or after)
IAS 7 *Statement of Cash Flows* The amendment improves information provided to users of financial statements about an entity's financing activities	1 January 2017
IFRS 9 *Financial Instruments* This standard supersedes all previous versions of IFRS 9 and brings together the classification and measurement, impairment and hedge accounting phases of the IASBs project to replace IAS 39 *Financial Instruments: Recognition and Measurement.*	1 January 2018
IFRS 15 *Revenue from Contracts with Customers* IFRS 15 establishes the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.	1 January 2018

The directors consider that the adoption of the above new/revised standards is not expected to have a material effect on the Group's financial statements.

2.2 Significant accounting estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment

As described in note 14, the Group has presented the assets and liabilities of Madison Park Properties 40 (Pty) Limited as held for sale. To determine the impairment of asset held for sale, the Group estimates the consideration on the sale as the fair value of the assets and liabilities of Madison Park Properties 40 (Pty) Limited. The assets of the disposal group have been valued based on the contractual disposal proceeds. Liabilities are recorded at amortised cost. The payments and completion of the disposal have been delayed and the Investment Manager is experiencing difficulties in enforcing the contract. Because of the dispute it is neither possible to determine if the disposal will complete at either the contracted amount or at all, nor can it be established if the assets of the disposal group are recoverable at the values included in the financial statements.

(b) Provision for ongoing costs and liquidation costs

As described in note 8, the Company is now operating as a realisation company. The Group estimated a total provision of £511,643 of ongoing expenses and liquidation fees to be incurred in realising the Group's remaining assets. The critical accounting estimate and judgement relate to the amount accrued and timing of the remaining assets from 1 July 2017 to 31 March 2018.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Pound Sterling, which is the Company's functional and the Group's presentation currency.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.3 Foreign currency translation (continued)

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the company income statement.

(c) Group companies

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates; and

(iii) all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income. When a foreign operation is disposed of, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. On the partial disposal of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of exchange differences recognised in other comprehensive income is re-attributed to the non-controlling interests. In any other partial disposal of a foreign operation, the proportionate share of the cumulative exchange differences recognised in other comprehensive income is reclassified to profit and loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.4 Revenue and expense recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of inventory in the ordinary course of the Group's activities and rental income received or receivable in relation to operating leases. Revenue is shown net of value added tax.

The Group recognises revenue from the sale of inventory on the transfer of the risks and rewards of ownership, which is when all the contractual conditions of sale have been met.

Operating lease income in respect of rents is recognised in the income statement on a straight-line basis over the period of the lease and relates to leases in which a significant portion of the risks and rewards of ownership are retained by the Group, as lessor, and are classified as operating leases.

Interest income is recognised in the financial statements on a time-proportionate basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the period.

Expenses are accounted for on an accruals basis.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.5 Basis of consolidation

Subsidiaries
Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control. De-facto control exists in situations where the company has the practical ability to direct the relevant activities of the investee without holding the majority of the voting rights. In determining whether de-facto control exists, the company considers all relevant facts and circumstances including the size of the company's voting rights relative to both the size and dispersion of other parties who hold voting rights, substantive potential voting rights held by the company and by other parties, other contractual arrangements and historic patterns in voting attendance.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and continue to be included until control is lost or ceases.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

Transactions and non-controlling interests
The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group.

Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealised gains/losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

2.6 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Group has determined that its chief operating decision-maker is the Board of the Company.

The Board reviews the Group's internal reporting in order to assess performance and allocate resources. Based on this internal reporting to the Board, it has been determined that there is only one operating segment, property development in the Republic of South Africa.

2.7 Financial assets and financial liabilities

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. The Board determine the classification of its financial assets at initial recognition. At 30 June 2016 the Group did not have any financial assets at fair value through profit or loss or available for sale.

Trade and other payables
Trade and other payables are recognised initially at fair value and subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements (continued)

2 Summary of significant accounting policies (continued)

2.8 Inventories

Land and buildings that are being developed for future sale are classified as inventory and recorded at cost on initial recognition. Building costs and borrowing costs in relation to inventory are capitalised. Land and building for development is subsequently carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2.9 Assets Held for Sale and Disposal Groups

Assets and disposal groups are classified as held for sale when it is established that management have a committed plan to sell which is unlikely to be significantly changed or withdrawn, the assets are available for immediate sale with an active programme initiated to locate a buyer and are being marketed at a reasonable price in relation to fair value with a sale being highly probable within 12 months of classification.

Assets or disposal groups classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Any resulting impairment loss is recognised in profit or loss. Once classified as held for sale, these assets are not depreciated and are disclosed separately on the face of the balance sheet within current assets.

2.10 Taxation

The Company is resident for taxation purposes in the Isle of Man and is subject to income tax at a rate of zero per cent. The Group is liable for tax in the Republic of South Africa on the activities of its subsidiaries.

The tax expense represents the sum of the tax currently payable, which is based on taxable profits for the year. The Group's liability is calculated using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2.11 Share capital

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

2.12 Distributions

Distributions are recognised as a liability in the year in which they are declared and approved.

3 Risk management in respect of financial instruments

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk. The financial risks relate to the following financial instruments: loans and receivables and other liabilities as detailed in note 2.7.

Notes to the Financial Statements (continued)

3 Risk management in respect of financial instruments (continued)

Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Group's operations are conducted in jurisdictions which generate revenue, expenses, assets and liabilities in currencies other than Pound Sterling ("the functional currency of the Company"). As a result the Group is subject to the effects of exchange rate fluctuations with respect to these currencies. The currency giving rise to this risk is the South African Rand.

The Group's policy is not to enter into any currency hedging transactions. The table below summarises the Group's exposure to foreign currency risk in respect of its financial instruments:

30 June 2017	Monetary Assets £'000	Monetary Liabilities £'000	Total £'000
South African Rand	260	(1,643)	(1,383)
	260	**(1,643)**	**(1,383)**

30 June 2016	Monetary Assets £'000	Monetary Liabilities £'000	Total £'000
South African Rand	3,582	(1,473)	2,109
	3,582	**(1,473)**	**2,109**

At 30 June 2017, had the Pound strengthened/weakened by 10 per cent. against the South African Rand, with all other variables held constant, the impact on equity of the above financial instruments would be an increase of £126,000 or a decrease of £154,000 (30 June 2016: 15 per cent. currency movement, decrease of £275,000 or an increase of £372,000).

Included in the income statement is a foreign exchange gain of £3,456,408 (2016: loss £920,318) which includes a gain of £3,438,467 (2016: loss £914,454) arising on the translation of the loan from the Company to its direct subsidiary, SAPSPV Holdings RSA (Pty) Limited; a loan which is denominated in South African Rand. On consolidation, the corresponding foreign exchange loss (2016: gain) arising on translation of this loan in SAPSPV Holdings RSA (Pty) Limited from the functional currency of South African Rand to the presentation currency of Pound Sterling is included in the foreign currency translation reserve within equity.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Group.

The carrying amounts of financial assets best represent the maximum credit risk exposure at the balance sheet date. This relates also to financial assets carried at amortised cost.

At the reporting date, the Group's financial assets exposed to credit risk amounted to the following:

	30 June 2017 £'000	30 June 2016 £'000
Trade and other receivables	258	2,534
Cash at bank	548	1,788
Assets of disposal group held for sale	1	-
	807	**4,322**

The Group manages its credit risk by monitoring the creditworthiness of counterparties regularly. Cash transactions and balances are limited to high-credit-quality financial institutions. Trade and other receivables balance at 30 June 2017 principally comprise escrow accounts relating to the disposal of the Group's subsidiary.

Notes to the Financial Statements (continued)

3 Risk management in respect of financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its obligations as they fall due. The Group currently manages its liquidity risk by maintaining sufficient cash and banking facilities as indicated by its cashflow forecasts. The Group's liquidity position is monitored by the Board of Directors.

The residual undiscounted contractual maturities of financial liabilities are as follows:

30 June 2017	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000	No stated maturity £'000
Financial liabilities						
Trade and other payables	67	17	53	-	-	-
Provisions	-	127	285	-	-	100
Liabilities of disposal group classified as held for sale	-	2	4	-	-	1,598
	67	**146**	**342**	**-**	**-**	**1,698**

30 June 2016	Less than 1 month £'000	1-3 months £'000	3 months to 1 year £'000	1-5 years £'000	Over 5 years £'000	No stated maturity £'000
Financial liabilities						
Loans from third parties	-	-	-	-	-	1,280
Trade and other payables	36	-	237	-	-	-
	36	**-**	**237**	**-**	**-**	**1,280**

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Group is exposed to interest rate risk from the cash held in interest bearing accounts at floating rates or short term deposits of one month or less and on loans from third parties. The Company's Board of Directors monitor and review the interest rate fluctuations on a continuous basis and act accordingly.

During the year ended 30 June 2017 should interest rates have decreased by 100 basis points, with all other variables held constant, the shareholders' equity and loss for the year would have been £4,000 lower (2016: 100 basis points, £13,000 lower).

Capital risk management

The Company's primary objective when managing its capital base is to safeguard its ability to continue as a going concern whilst disposing of the Group's portfolio where acceptable returns can be generated and returning excess capital to shareholders.

Capital comprises share capital (see note 15) and reserves.

No changes were made in respect of the objectives, policies or processes in respect of capital management during the years ended 30 June 2016 and 2017.

Notes to the Financial Statements (continued)

4 Segment Information

The entity is domiciled in the Isle of Man. All of the reported revenue, £9,093 (2016: £300,787) arises in South Africa.

Revenues of £6,832 (ZAR 122,110) and £2,261 (ZAR 40,413) were derived from single external customers and were attributable to the Imbonini phase 2 development and the Lenasia development respectively (30 June 2016: £150,754 (ZAR 3,232,427) and £137,438 (ZAR 2,946,900) were derived from single external customers and were attributable to the Imbonini phase 1 development).

5 Cost of sales

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Cost of inventories sold	-	211
Property expenses	30	140
	30	351
Impairment of inventories (note 11)	1	1,890
Total cost of sales	**31**	**2,241**

6 Investment Manager's fees

Annual fees
Bridgehead was appointed as the replacement investment manager with effect from 1 July 2014 and is entitled to an annual management fee of £175,000 per annum (excluding VAT). Management fees for the year ended 30 June 2017 paid to Bridgehead amounted to £199,500 (30 June 2016: £199,500) including VAT.

Performance fees
Bridgehead is entitled to a performance fee of 1.5% of the net proceeds received by the Group following the sale of an asset under the investment management agreement dated 1 July 2014. Performance fees for the year ended 30 June 2017 amounted to £43,543 (ZAR 735,000) (30 June 2016: £79,799 (ZAR 1,603,441)).

The Group entered into a termination deed on 1 July 2014 with Group Five under which the Group has agreed to pay Group Five a fee of 0.5% of the net proceeds received by the Group following the sale of an asset until 1 January 2016. This is settled by Bridgehead out its 1.5% performance fee.

7 Other administration fees and expenses

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Audit	46	58
Directors' remuneration and fees	151	151
Directors' insurance cover	14	16
Professional fees	82	45
Other expenses	182	275
Administration fees and expenses	**475**	**545**

Notes to the Financial Statements (continued)

7 Other administration fees and expenses (continued)

Included within other administration fees and expenses are the following:

Directors' remuneration
The maximum amount of basic remuneration payable by the Company by way of fees to the Non-executive Directors permitted under the Articles of Association is £200,000 per annum. All Directors are each entitled to receive reimbursement of any expenses incurred in relation to their appointment. The Chairman was entitled to receive an annual fee of £40,000, Stephen Coe was entitled to an annual fee of £35,000 and David Saville was entitled to an annual fee of £15,000.

Executive Directors' fees
John Chapman was entitled to an annual basic salary of £30,000 and Craig McMurray was entitled to an annual basic salary of £20,000. Pursuant to the terms of their service agreements, Craig McMurray and John Chapman are entitled to incentive payments of, respectively, 1.5 per cent. and 0.5 per cent. of all sums distributed to shareholders. Their services agreements also provide for payments of the same percentages, following termination of their employment, for distributions paid or payable from cash generated during their employment. Total incentive fees for the year ended 30 June 2017 amounted to £115,242 (30 June 2016: £62,293).

All directors' remuneration and fees
Total fees and basic remuneration (including VAT where applicable) paid to the Directors for the year ended 30 June 2017 amounted to £151,000 (30 June 2016: £151,000) and was split as below. Directors' insurance cover amounted to £13,890 (30 June 2016: £16,007).

	Year ended 30 June 2017			Year ended 30 June 2016		
	Basic fee/salary £'000	Incentive fees £'000	Total £'000	Basic fee/salary £'000	Incentive fees £'000	Total £'000
David Hunter	48	-	48	48	-	48
David Saville	18	-	18	18	-	18
Stephen Coe	35	-	35	35	-	35
	101	-	101	101	-	101
John Chapman	30	29	59	30	15	45
Craig McMurray	20	86	106	20	47	67
	50	115	165	50	62	112
	151	**115**	**266**	**151**	**62**	**213**

8 Provisions

The Company is now operating as a realisation company. The calculation of the net asset value now includes an estimate of liquidation costs and a provision for fees and expenses expected to be incurred in realising the assets. As at 30 June 2017 these provisions amounted to £511,643.

9 Income tax expense

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Current tax	**-**	**-**

Notes to the Financial Statements (continued)

9 Income tax expense (continued)

The tax on the Group's profit before tax is higher than the standard rate of income tax in the Isle of Man of zero per cent. The differences are explained below:

	Year ended 30 June 2017 £'000	Year ended 30 June 2016 £'000
Profit/(loss) before tax	4,179	(1,970)
Tax calculated at domestic tax rates applicable in the Isle of Man (0%)	-	-
Effect of higher tax rates in South Africa (28%)	-	-
Tax expense	**-**	**-**

10 Basic and diluted profit/(loss) per share

Basic profit/(loss) per share is calculated by dividing the profit/(loss) attributable to equity holders of the Group by the weighted average number of shares in issue during the year.

	Year ended 30 June 2017	Year ended 30 June 2016
Profit/(loss) attributable to equity holders of the Company (£'000)	3,925	(1,764)
Weighted average number of shares in issue (thousands)	62,293	62,293
Basic profit/(loss) per share (pence per share)	**6.30**	**(2.83)**

The Company has no dilutive potential ordinary shares; the diluted earnings per share is the same as the basic earnings per share.

11 Inventories

Current assets

	30 June 2017 £'000	30 June 2016 £'000
Start of the year	3,187	5,642
Costs capitalised	1	3
Impairment	(1)	(1,890)
Cost of inventories sold	-	(211)
Transfer to assets held for sale (note 14)	(1,283)	
Disposal via sale of subsidiary	(2,423)	-
Exchange differences	519	(357)
End of the year	**-**	**3,187**

During the year, the Group capitalised costs of £902 (ZAR 16,119) (30 June 2016: £3,117 (ZAR 66,829)), in order to develop these assets for future re-sale, and accordingly they were classified as inventory. These costs were impaired prior to disposal.

As at 30 June 2017 all developments had been sold or been reclassified as assets held for sale. At 30 June 2016 the net realisable values of all the developments were lower than cost, therefore, their inventory values were impaired to a value of £3,187,027 (ZAR 62,727,698)). Net realisable value was assessed using valuations determined by Broll (adjusted to match the sale contract) less estimated selling expenses.

Notes to the Financial Statements (continued)

12 Trade and other receivables

	30 June 2017 £'000	30 June 2016 £'000
Prepayments	8	18
VAT receivable	4	20
Trade receivables	-	15
Proceeds due from sale of inventory and sale of subsidiary (note 23) *	254	2,490
Other receivables	-	9
Trade and other receivables	**266**	**2,552**

* the comparative balance relates to the sale of the Emberton development where one final amount of ZAR 9 million (£0.48 million) was received in August 2016 and the sale of the African Renaissance development where one final amount of ZAR 40 million (£2.38 million) was received in December 2016.

The fair value of trade and other receivables approximates their carrying value.

13 Cash and cash equivalents

	30 June 2017 £'000	30 June 2016 £'000
Bank balances	548	1,788
Cash at bank	**548**	**1,788**

14 Disposal Group Classified as Held for Sale

14.1 Assets of Disposal Group

The assets and liabilities of Madison Park Properties 40 (Pty) Limited (owning the assets of the Brakpan Project) have been presented as held for sale.

	30 June 2017 £'000	30 June 2016 £'000
Inventories	1,283	-
Trade and other receivables	1	-
Total	**1,284**	**-**
Of which fair value measurements use:		
- Quoted prices in active markets for identical assets (Level 1)	-	-
- Significant other observable inputs (Level 2)	-	-
- Significant unobservable inputs (Level 3)	1,284	-

Notes to the Financial Statements (continued)

14 Disposal Group Classified as Held for Sale (continued)

14.2 Liabilities of Disposal Group

	30 June 2017 £'000	30 June 2016 £'000
Loans from third parties	1,480	-
Trade and other payables	124	-
Total	**1,604**	**-**
Of which fair value measurements use:		
- Quoted prices in active markets for identical assets (Level 1)	-	-
- Significant other observable inputs (Level 2)	-	-
- Significant unobservable inputs (Level 3)	1,604	-

The assets of the disposal group have been valued based on the contractual disposal proceeds. Liabilities are recorded at amortised cost. The payments and completion of the disposal have been delayed and the Investment Manager is experiencing difficulties in enforcing the contract.

15 Share capital

Ordinary Shares of 1p each	As at 30 June 2016 & 2017 Number	As at 30 June 2016 & 2017 £'000
Authorised	150,000,000	1,500
Issued	62,292,810	623

The holders of Ordinary Shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Two distributions were paid during the year, 7.25 pence per Ordinary Share on 27 January 2017 and 2 pence per Ordinary Share on 23 June 2017 (2016: 5 pence per Ordinary Share on 16 October 2015).

16 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	**Description and purpose**
Foreign currency translation reserve	Gains/losses arising on retranslating the net assets of overseas operations into the presentation currency.
Retained earnings	All other net gains and losses and transactions with owners (e.g.dividends) not recognised elsewhere

17 Net asset value ("NAV") per share

	30 June 2017	30 June 2016
Net assets attributable to equity holders of the Company (£'000)	785	7,009
Shares in issue (in thousands)	62,293	62,293
NAV per share (£)	**0.01**	**0.11**

Notes to the Financial Statements (continued)

17 Net asset value ("NAV") per share (continued)

The NAV per share is calculated by dividing the net assets attributable to equity holders of the Group by the number of ordinary shares in issue.

The Group publishes an adjusted NAV that is calculated in accordance with the guidelines of the European Public Real Estate Association ("EPRA"). The primary difference between EPRA and IFRS is that, in general, under IFRS the Group's development properties are classified as inventory and held at cost while EPRA permits the incorporation of open market valuations. In order to produce the EPRA numbers the Group has retained Broll's Johannesburg office to conduct annual valuations. The EPRA numbers incorporate the directors' valuation and are net of tax.

The below figures also take into consideration any profit share agreements with development partners, commission due on sale of properties (see note 6) and incentive fees due to the Executive Directors (see note 7).

EPRA NAV	30 June 2017	30 June 2016
Net assets attributable to equity holders of the Company (£'000)	785	6,869
Shares in issue (in thousands)	62,293	62,293
EPRA NAV per share (£)	**0.01**	**0.11**

18 Non-controlling interests

Subsidiary	Country of incorporation	Percentage of shares held	Assets	Liabilities	Profit/(loss) allocated to NCI year ended 30 June 2017	Accumulated NCI 30 June 2017
			£'000	£'000	£'000	£'000
Madison Park Properties 40 (Pty) Limited	South Africa	50%	1,294	(3,173)	254	(940)

The subsidiary received funding of ZAR 265,000 (£15,358) during the year ended 30 June 2017 to meet its ongoing commitments and has been presented as held for sale at the year end (see note 14).

19 Loans from third parties

	30 June 2017	30 June 2016
	£'000	£'000
Start of the year	1,280	1,319
Transfer to liabilities held for sale (note 14.2)	(1,480)	-
Exchange differences	200	(39)
End of the year	**-**	**1,280**

20 Trade and other payables

	30 June 2017	30 June 2016
	£'000	£'000
Trade payables	1	39
Management fees payable	17	-
Performance fees payable	3	37
Other payables	116	197
Trade and other payables	**137**	**273**

The fair value of trade and other payables approximates their carrying value.

Notes to the Financial Statements (continued)

21 Contingent liabilities and commitments

As at 30 June 2017 the Group had no contingent liabilities or commitments.

22 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or to exercise significant influence over the other party in making financial or operational decisions. Key management is made up of the Board of Directors who are therefore considered to be related parties and the transactions were made at arm's length. Fees in relation to the Directors are disclosed in note 7.

The investment manager, Bridgehead Real Estate Fund (Pty) Ltd, is a company managed by Craig McMurray, an Executive Director of the Company. Fees in relation to Bridgehead are disclosed in note 6 and fees in relation to the Executive Directors are disclosed in note 7.

The principal subsidiary undertakings within the Group as at 30 June 2017 are:

	Development property	Country of incorporation	Percentage of shares held *
Crimson King Properties 378 (Pty) Limited	Gosforth Park	South Africa	100%
Business Venture Investments No 1187 (Pty) Limited	Inactive	South Africa	100%
Madison Park Properties 40 (Pty) Limited **	Brakpan	South Africa	50%

* this also represents the percentage of ordinary share capital and voting rights held – 2017

** the Group controls the company by means of direct control of the board

23 Profit on disposal of subsidiary

During the year the Group disposed of its holding in and intercompany loan with its principal South African subsidiary, SAPSPV Holdings RSA (Pty) Limited, along with all of its subsidiaries (except for three detailed in note 22) for total consideration of ZAR 49,330,536 (£2,922,319). This resulted in a net gain on disposal of £2,206,943 as follows:

	£'000
Inventory (note 11)	2,423
Trade and other receivables	56
Cash and cash equivalents	206
Trade and other payables	(192)
Intercompany loan	(18,324)
Total identifiable net liabilities	**(15,831)**
Intercompany loan	18,324
Total interest	**2,493**
Additional costs on disposal	34
Total consideration	(2,922)
Profit on disposal	(395)
Accumulated foreign exchange differences arising on subsidiary operations reclassified from equity to profit and loss	(1,812)
Net gain on disposal	(2,207)

Although transfer of title did not take place until 1 July 2017, the Company has recognised the disposal of these entities in the period due to the loss of effective control.

Notes to the Financial Statements (continued)

24 Post balance sheet events

Since the year end, both Crimson King Properties 378 (Pty) Limited and Business Venture Investments No 1187 (Pty) Limited have been liquidated.