

NEW FRONTIER PROPERTIES

INTEGRATED ANNUAL REPORT 2017





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ABOUT THIS REPORT

New Frontier Properties Ltd (“**New Frontier**” or “**the Company**”) is a property investment company registered in Mauritius with a portfolio focus on the United Kingdom (“**UK**”) and Europe. Its shares are duly listed on the Mauritian Stock Exchange (“**SEM**”) and the JSE Limited’s Alternative Exchange (“**AltX**”).

New Frontier’s management is based in London and its asset management function is outsourced to Waypoint New Frontier Ltd, a subsidiary of Waypoint Asset Management Ltd. The Waypoint Group are experienced pan-European real estate advisers with proven investment and asset management success across multiple property sectors in the UK and Europe. The Company’s property portfolio is held by a number of wholly-owned subsidiaries. (*Please see page 62 for details*).

Scope and boundary

This integrated report has been prepared by New Frontier to provide stakeholders with an understanding of the Group’s business model, strategy, past performance and future prospects. The report is written primarily for shareholders and investors. It covers the activities of the Group for the financial year 1 September 2016 to 31 August 2017, and addresses the material financial and non-financial risks and opportunities that impact value creation and strategy development.

Any material events after year end, but before publication of this report, have been included.

Reporting frameworks and regulations

The financial reporting contained in this Integrated Report complies with International Financial Reporting Standards (“**IFRS**”), as applied to the annual financial statements. The report has been prepared in terms of the Mauritian Companies Act 2001, SEM Listing Rules, Code of Corporate Governance for Mauritius, Companies Act, No 71 of 2008, of South Africa, JSE Listings Requirements, King Report on Corporate Governance for South Africa 2016 (“**King IV**”).

This report is in line with the guidelines of the Integrated Reporting Framework issued by the International Integrated Reporting Council in December 2013.

Materiality

This report provides information on all those matters that we believe are key to New Frontier’s ability to create value over time and which are likely to have a significant impact on the current and projected revenue and profitability of the business.

Assurance

The Company’s external auditor, BDO, has provided assurance on the annual financial statements and expressed an unqualified audit opinion thereon. The financial statements have been prepared under the supervision of Nigel Gurkin, the Financial Director of New Frontier. The content of this Integrated Report has been reviewed by the Board, but has not been externally assured.

Forward-looking statements

This report includes forward-looking statements that involve inherent risks and uncertainties and, if one or more of these risks materialise, or should the underlying assumptions prove incorrect, actual results may be different from those anticipated. Words such as believe, anticipate, intend, seek, will, plan, could, may, endeavour, project and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. Forward-looking statements apply only as of the date on which they are made, and New Frontier does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Statement of responsibility

The Audit and Risk Committee and the Board acknowledge their responsibility to ensure the integrity of this Integrated Annual Report. The annual financial statements included in this integrated report have been audited by the external auditors.

Sisa Ngebulana
Chairman

Mike Riley
Chief Executive
Officer

Daniel Romburgh
Chairman Audit and
Risk Committee

Navigating this report

The following icons are used to show the connectivity between sections in the report:

Capitals

See page 10 for descriptions of the capitals as they relate to New Frontier.



Financial capital



Social and
relationship capital



Manufactured capital



Human capital



Intellectual capital



Natural capital

New Frontier has no direct employees and reporting on human capital in this report is limited.

New Frontier’s properties are managed by asset and property managers that take responsibility for the management of natural resources. Reporting on natural capital is also limited.

Strategic priorities

New Frontier’s strategy is driven through three strategic priorities, the icons of which are:



Build a diverse
property portfolio



Deliver returns and
income growth



Offer investors exposure
to offshore markets

See page 3 for further details.



SECTION

01

Our business

New Frontier Properties is a UK REIT, which is dual listed on the SEM in Mauritius and AltX in South Africa.

Established in 2014, our objective is to build a retail and logistics/warehouse focused investment property portfolio that offers South African and Mauritian investors access to income and capital growth in established hard currency markets. We are delivering on that objective by pursuing strategic investments and optimising the performance of our property assets.

Our investment strategy previously targeted high quality, income-generating shopping centres and has now broadened to include retail logistics and warehousing property assets occupied by the growing online retail sector, in the UK and mainland Europe. Our investment portfolio comprises three retail assets in the United Kingdom, valued at GBP266 million at 31 August 2017. In October 2017, we acquired a modern warehouse facility in Dublin, Ireland for a consideration of EUR8.65 million.

OUR RETAIL PORTFOLIO AT A GLANCE

Three regionally dominant UK shopping centres with exciting asset management projects in the pipeline, low vacancies and strong anchor tenants:

- Cleveland Centre in Middlesbrough.
- Coopers Square in Burton upon Trent.
- Houndshill Shopping Centre in Blackpool.

Total GLA sq ft: 1 116 766

Portfolio valuation: GBP266 million as at 31 August 2017

OUR LOGISTICS PORTFOLIO AT A GLANCE

A 78 265 sq ft warehouse located in a strategic logistics position in north-west Dublin near the International Airport and Dublin Port Tunnel.

Portfolio valuation: EUR8.65 million as at 31 October 2017

OUR STRATEGY

VISION

Our vision is to build a reputable retail and logistics focused fund that capitalises on the economic growth currently underpinning the property markets in the UK and mainland Europe, with the aim of providing solid returns to our shareholders.

MISSION

New Frontier's mission is to seek, acquire and develop assets that provide value, income generation and yield enhancement. As a relatively young business, New Frontier aims to build a reputation for honesty and integrity, recognising that our future success will be highly dependent on adopting a straightforward and consistent approach in our business dealings.

OUR VALUES

- Integrity in business dealings.
- Excellence in professional standards.
- Commitment and drive in achieving shareholder value.
- Compassion for fellow professionals and the wider community.
- Teamwork.

OUR STRATEGIC PRIORITIES



Build a diverse property portfolio

Our objective is to invest in a UK and European retail and logistics/warehouse focused property portfolio



Offer exposure to offshore markets

We provide our shareholders with exposure to the growing retail and logistics property markets in the UK and Europe, markets that are underpinned by good economic growth and favourable economic indicators and which provide returns in hard currencies



Deliver returns and income growth

We ensure prudent management and value add to our investments to deliver sustainable economic returns from capital and income growth from property

LETTER FROM OUR CHAIR



The team at New Frontier has been working hard to implement the broadened investment strategy

Welcome to New Frontier's Integrated Annual Report for the 2017 financial year.

During the year, New Frontier's team focused on implementing our new, broadened investment strategy, aimed at diversifying our exposure to hard currencies, while capitalising on the shift towards e-retailing activity across Europe.

I am pleased to report that their hard work reached a tangible milestone, post year-end, with the value-creating acquisition of our first European logistics/warehouse property, a EUR8.65 million modern warehouse facility in Dublin, Ireland. Since adapting our strategy to the current landscape, growth of our portfolio is quickly gaining momentum. Additional acquisitions are expected to follow shortly, with the team close to executing a logistics transaction in Germany.

New Frontier delivered solid results for the year, despite the economic challenges facing the investment property market in the UK. The rapid growth of e-commerce is intensifying the retail market's competitive landscape and global political uncertainty in the wake of Brexit is affecting consumer confidence.

The full-year distribution was GBP7.2 pence per share, down from GBP7.6 pence at the end of the last financial year. The slight drop reflects a fall in property rental income over the period resulting from a number of tenant receiverships.

Brexit has continued to cast uncertainty on the UK's trading relationships during the year following the UK prime minister's decision to trigger Article 50, meaning that the UK has until the end of March 2019 to reach an agreement before it leaves the EU. Despite the Brexit headwinds, it is pleasing to note that the UK unemployment rate has reached a 42-year low which is a positive indication that there is the prospect of some earnings growth next year.

As widely anticipated, and in an attempt to ward off inflation and moderate economic growth, UK interest rates rose in November 2017 for the first time in a decade. The increased rates reversed the record low interest rate cut from August last year in the aftermath of the Brexit vote. It is not wholly clear what impact this will have on consumers and retailers in the near future or whether this will be a sign of further increases to come. (Further detail of operating context on page 14.)

The current strength of the rand against the sterling and euro emphasises the benefit from a greater diversity of earnings in both euro and sterling and the positive impact of the purchase of the Dublin property and similar pipeline acquisitions.

I am pleased to note the professional and progressive manner in which the Company's Board has operated. In particular, I would like to record my appreciation of the contributions of the Chairs of the Board's sub-committees, who have organised the business of their committees to great effect in accordance with our corporate governance principles.

The composition of our Board underwent some changes during the year. I would like to thank Mr John Needham, who resigned as a non-executive director of New Frontier during the year, for his contribution to the Company, particularly as Chair of the Audit and Risk Committee. The Board wishes John all the best in his future endeavours as he plans to support his wife in building her business dedicated to working with children with special needs.

On behalf of the Board I thank the executive directors and our colleagues at Waypoint for their efforts during the year. Waypoint's extensive UK experience, as well as the strength of its European platform, will stand New Frontier in good stead in the year ahead as our expansion continues. This is supported by Waypoint's acquisition of a specialist European asset and property manager, with a team based in Germany.

I would also like to thank our shareholders. The growth of the Company depends upon the support of its shareholders and I look forward to your ongoing support as we look to grow the business in the future.

Sisa Ngebulana
Chairman

OUR REFINED INVESTMENT STRATEGY

New Frontier's initial strategy focused on acquiring yield enhancing regionally dominant, quality shopping centres in the UK.

In response to the uncertainty in the UK economy following the Brexit referendum result, we recalibrated our investment strategy by broadening our focus to include non-retail assets in mainland Europe. The geographic and sectorial diversification will reduce our overall risk and widen the range of opportunities available. Robust demand for logistic and warehouse properties in Europe is expected to continue, spurred by ongoing growth of the e-commerce sector.

INVESTMENT PROFILE

UK-based retail assets

- Regionally dominant
- Quality shopping centres
- Solid fundamentals – long-term leases, low vacancies and strong anchor tenants
- High level of non-discretionary spend
- Smaller centres, serving the local community, offering non-discretionary mid to value goods

Non-retail assets

- Logistics and warehouse assets let to e-commerce and retailer tenants
- Capitalise on the increasing use of the internet in mainland Europe

Short-term acquisition strategy

- Focus on properties in mainland Europe
- Preference given to logistics/warehouse assets in the UK, Germany, Austria, Slovakia, the Czech Republic, Poland, Ireland and the Benelux countries



HIGHLIGHTS OF 2017

2017

FINANCIAL HIGHLIGHTS

- Recurring profit: GBP11.007 million (2016: GBP11.679 million)
- Comprehensive income: GBP2.526 million (2016: a loss of GBP6.371 million)
- Distribution: GBP7.2 pence per share (2016: GBP7.6 pence per share)
- Headline earnings per share: GBP6.7 pence
- NAV: GBP67 pence per share
- Cost to income ratio: 9.83%
- Average “all in” cost of debt: 3.25% per annum

2017

PORTFOLIO PERFORMANCE

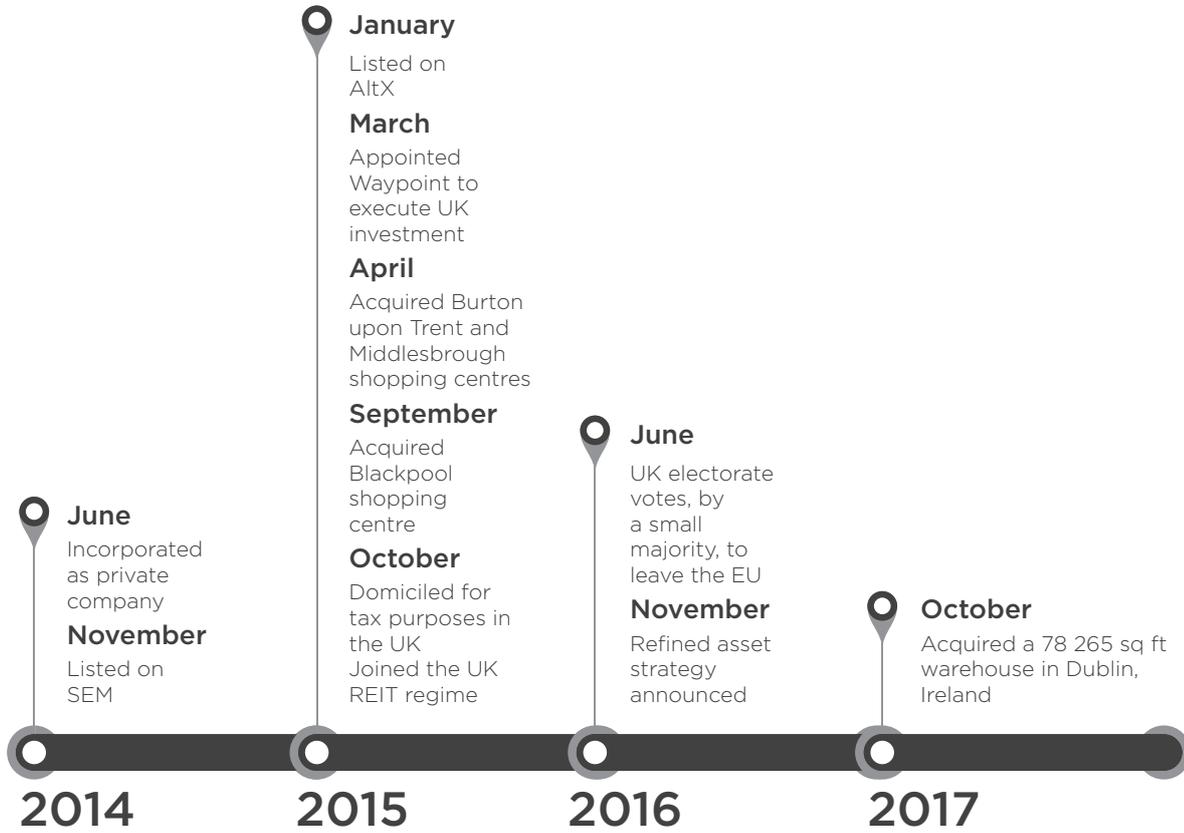
- Assets under management: GBP266 million
- Rental income: GBP19.279 million
- Combined occupancy rate of: 94.51% by ERV and 91.93% by GLA
- Leasing events: 54

DELIVERING ON REFINED STRATEGY

- Acquired a warehouse in Dublin, Ireland
- Engaged in negotiations in respect of a logistics/warehouse transaction in Germany
- Amended asset management agreement to incentivise acquisition of assets

OUR PORTFOLIO

MILESTONES IN BUILDING OUR PORTFOLIO



OUR PORTFOLIO

Geographic spread

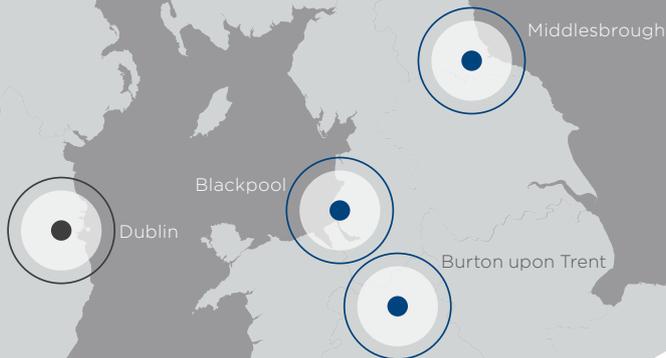
UNITED KINGDOM



HOUNDSHILL SHOPPING CENTRE



Coopers Square in Burton upon Trent
Coopers Square is a modern, fully covered shopping centre, established in 1970, in the highly desirable Staffordshire town of Burton upon Trent, close to the Peak District National Park.



STADIUM BUSINESS PARK



EUROPE



Cleveland Centre is the largest centre in Middlesbrough and most dominant retail location in the wider urban area of Teesside.

Size (GLA):
411 960 sq ft

Value:
GBP72.5 million

Offer:
60+ shops, cafés and restaurants, 550-space car park, new hotel adjacent to property

GBP13.43 Rental value per square foot

Anchors:
Boots, Topshop, New Look and H&M

Primary catchment population:
550 000

Highlights in 2017:
Lettings including:
Disney store
Lease renewals including:
Vision Express

CLEVELAND CENTRE



The Houndshell Shopping Centre in Blackpool is a modern, fully covered, shopping centre. Houndshell is the only fully covered shopping centre in Blackpool, a popular seaside town that attracts some 13 million visitors every year. Located in the shadow of the iconic Blackpool Tower, the centre underwent a GBP40 million extension and refurbishment in 2008.

Size (GLA):
302 377 sq ft

Value:
GBP98.5 million

Offer:
65+ shops, 70 car parking spaces

GBP20.74 Rental value per square foot

Anchors:
Debenhams, New Look, River Island, Next and H&M

Primary catchment population:
290 000

Highlights in 2017:
IMAX cinema development with ancillary retail has heads of terms agreed



Size (GLA):
402 429 sq ft

Value:
GBP95 million

Offer:
70+ shops, cafes and restaurants

GBP16.00 Rental value per square foot

Anchors:
Marks & Spencer, Primark, Next and New Look

Primary catchment population:
243 000

Highlights in 2017:
25 052 sq ft Next opened
New H&M store has terms agreed

COOPERS SQUARE



The modern warehouse facility is strategically located on the orbital motorway of Dublin in close proximity to the airport and Dublin Port Tunnel, in an area subject to considerable investment in logistics. This logistics unit is the only building of its size in the immediate area and is situated within a 52-acre landscaped industrial park.

Size (GLA):
78 265 sq ft

Value:
EUR8.65 million

Net initial yield:
8.23%

EUR9.50 Rental value per square foot

Tenant:
Viking Direct (Ireland) Ltd, which is part of Office Depot, one of the largest suppliers of office stationery in the world

Lease agreement:
20-year full repairing and insuring lease from 24 August 2007 at a rent of

EUR743 518 per annum

HOW WE CREATE VALUE

RESOURCES AND RELATIONSHIPS

Resources



Financial capital is the foundation of the Company's equity and debt funding that underpins the creation and optimisation of a portfolio of retail and logistics focused properties



Manufactured capital is our portfolio of assets that is created and maintained through an astute investment strategy and skilled asset management



Intellectual capital is the organisational knowledge and property expertise held by the Board and the appointed asset managers



Social and relationship capital is the ethical foundation of the business and relationships with stakeholders



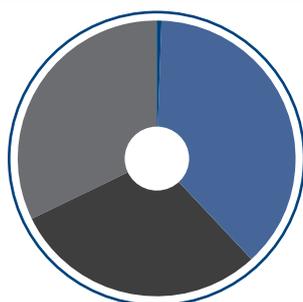
Human capital is the people who work for and direct a business – for New Frontier this is the Board of Directors



Natural capital is the natural resources used in delivering such as water, electricity, fuel and paper

Key stakeholders

Investors/shareholders



- Directors and associates – 0.06%
- Rebasis Property Fund Ltd – 37.7%
- Friedshelf 1748 (Pty) Ltd – 29.90%
- Public Shareholders – 32.34%

Outputs and Outcomes



Financial capital

- Creating shareholder value.
- 2017 distribution of GBP7.2 pence (Total: GBP11 million).
- Comprehensive income of GBP2.526 million.



- Total property valuation GBP266 million.

PROVIDERS OF CAPITAL

Outputs and Outcomes



- Average annual "all in" cost of debt, including the effect of fixed rate financial swap derivatives – 3.25% per annum.
- Over 85% of debt fixed by use of financial swap derivatives.
- 2.51% fall in valuation of the Company's portfolio.
- Interest cover: 3.24 x
- Cost to income ratio: 9.83%.

ASSET MANAGERS

Waypoint New Frontier

Outputs and Outcomes



- Rental income of GBP19.279 million.



- Long-term core new lettings and lease renewals broadly flat at (0.5%) by ERV.

PROPERTY MANAGEMENT

Day-to-day management of the Company's property

assets: Eddisons (Commercial) for the UK and Jones Lang LaSalle for Ireland.

Independent property valuers: Colliers International Valuation UK LLP.

UK Property acquisition agents: Coady Supple and Lunson Mitchenall.

Outputs and Outcomes



- 54 leasing events (28 core long-term leases).
- 6 new leases currently under offer.



- Energy-efficient solutions in shopping centres.
- Waste reduction.

BUILDING AND OPTIMISING OUR PORTFOLIO



INVESTING IN PROPERTY ASSETS



Our purpose is to pursue appropriate yield enhancing property acquisitions. This is directed by a strategic investment strategy designed to protect and grow the business. Our Board of Directors sets the investment policy and drives the investment process. The directors review and approve each purchase or sale of investment assets.



Our Board comprises executive and non-executive directors with extensive property industry experience in the UK and Europe, as well as global business. The Board ensures that a strong risk management and governance framework is in place.



GROWING AND DIVERSIFYING OUR PORTFOLIO



Waypoint identify and evaluate new investment opportunities and negotiate the terms of acquisition. The Company sources and raises equity funding and manages debt funding and refinancing.



In mainline Europe, Waypoint draws on the considerable resources within the wider Waypoint Group to assist with acquisitions. This includes Omni Property Solutions GmbH, a German property and asset manager with experience across all sectors, acquired by the Waypoint Group in 2016.



Waypoint commissioned research to review the EU operating environment in EU target countries.



PROACTIVE ASSET MANAGEMENT TO EXTRACT VALUE



Our asset manager, Waypoint New Frontier (“**Waypoint**”), actively manages our assets to enhance value and optimise operational returns.



Waypoint’s asset management strategy is to maximise efficiencies and unlock the returns of the properties under management through a process of careful analysis, planning and efficient management.



All property advisers, managers and agents operate under the direction of Waypoint.

BOARD OF DIRECTORS



02



01

01 Sisa Ngebulana ⁽⁵¹⁾

Non-executive Chairman

Sisa founded Billion Group, a major South African property development and investment company, in 1998, and the Rebois Property Fund, as a South African REIT, in 2010. He was responsible for the development of a number of regional shopping malls in South Africa, including Hemingways Mall, Forest Hill City, Mdantsane City and BT Ngebs City. Sisa is an attorney of the High Court of South Africa. He has won Entrepreneur of the Year, Pioneer and African Business Excellence awards, and is a past president of the South African Council of Shopping Centres. He is the non-executive Deputy Chairman of Rebois Property Fund Ltd and Ascension Properties Ltd. Sisa chairs the Nominations and Investment Committees.



03

02 Michael Riley ⁽⁵⁷⁾

Chief Executive Officer

Michael has over 30 years' experience in the real estate sector, notably in financial services and fund management. He became joint managing director of HBV Real Estate Capital in 1999, with responsibility for a loan book of over GBP8 billion, before assuming roles at Quintain Estates, latterly as chief executive, and Castlemore Securities.

In January 2005, he became joint CEO of The Local Shopping REIT, which subsequently listed on the London Stock Exchange and had a UK portfolio of over 700 properties. He set up Waypoint Asset Management in 2013. Michael serves on the Corporate Governance and Remuneration, Nominations and Investment Committees.

03 Nigel Gurkin ⁽⁵³⁾

Finance Director

Nigel is a chartered accountant having trained with Deloitte Haskins & Sells in the UK. In 1992, he joined Speciality Shops and then became finance director of the Milner Group, managing 12 shopping centres. He joined Shops etc Ltd as finance director before taking part in a management buyout in 2011 to form Plus Shops Retail, managing a portfolio of shopping centres on behalf of the Moorfield Group. Nigel serves on the Investment Committee.



04

04 Marelise De Lange ⁽⁴⁵⁾

Non-executive Director

Appointed 5 July 2017

Marelise is a CA(SA) who has more than 20 years' experience in the listed property industry, on both the operational and financial sides. She started her career at Absa Corporate and Merchant Bank in the Structured Finance division, before moving on to Absa Capital where she held the position of Business Manager - Structured Capital Market. In mid-2008, Marelise joined International Housing Solutions, a property equity fund for affordable housing, as finance director where her duties included the implementation of IFRS accounting and reporting systems for the South Africa Workforce Housing Fund. In 2009 Marelise joined JSE-listed Vunani Group as Group Financial Manager and played an instrumental role in the successful listing of Vunani Property Investment Fund (now Teton Property Fund Ltd) where she was appointed as Financial Director responsible for the full finance and accounting function. She also served as an independent non-executive director of Delta Property Fund Ltd from 2015 to 2017 and is currently the Chief Financial Officer of Rebois Property Fund Ltd. Marelise serves on the Audit & Risk and Investment Committees.



05

05 Daniel Romburgh ⁽³⁵⁾

Non-executive Director

Daniel attained an Honours Degree in Finance and Portfolio Theory from the University of Cape Town and is a member of the Mauritius Institute of Directors. He has over 10 years' experience in the offshore fund services arena. His responsibilities included internal and outward management of an international fund administration and accounting service provider. He was previously a director of Caledonian Fund Services, a global custodian and corporate finance service provider. He was then appointed as Managing Director of Southern View Finance Mauritius Ltd, a subsidiary of a JSE listed Company, to manage its Mauritian operations. He currently serves on the Boards of various domestic and global business entities, as well as the Board of Trevo Capital Ltd, listed on the SEM and NSX, and Astoria Investments Ltd, listed on the SEM and JSE. Daniel serves on the Corporate Governance and Remuneration and Audit & Risk Committees.

06 Tinesh Ramprasad ⁽³³⁾

Non-executive Director

Tinesh is a Fellow of the Association of Chartered Certified Accountants, UK, and a member of the Mauritius Institute of Directors. He is also licensed as a practitioner by the Mauritius Institute of Professional Accountants in Mauritius. Tinesh has over 13 years' experience in various business sectors including the financial services and global business, while working for companies including KPMG, Deutsche Bank and Baker Tilly in Mauritius. He has acquired significant expertise in areas of finance, taxation, risk management and controls and he serves on the Boards of various domestic and global business entities.



07

07 Andile Mazwai ⁽⁴⁶⁾

Non-executive Director

Andile is the CEO of Rebois Property Fund Ltd. He is the Governor (non-executive) of the National Stokvel Association of South Africa and a non-executive director of the JSE Ltd. He was formerly CEO of Barnard Jacobs Mellet Holdings, before it was acquired by First National Bank in 2011. Andile serves on the Corporate Governance and Remuneration and Investment Committees.

08 Richard Thomas ⁽⁵⁶⁾

Lead Independent Non-executive Director

Richard is chairman of UK investor advisor Oak Room Capital Partners and has 25 years' experience in executing transactions across real estate, infrastructure and energy sectors. A law graduate of Cambridge University, he has also worked for NationsBank/Bank of America, financing acquisitions for clients such as PepsiCo, GM, Hanson and Eurotunnel. Richard serves on the Audit & Risk Committee.



09

09 William Heaney ⁽⁶¹⁾

Independent Non-executive Director

William runs his own consultancy business, specialising in corporate strategy and administration. He is also a consultant to a number of businesses, including the property fund management group Internos Global Investors. He was company secretary and group services director at Chesterton International plc for 19 years and was a director of Exchequer Partnership plc. He has been company secretary of The Local Shopping REIT plc since its stock exchange listing in 2007. William chairs the Corporate Governance and Remuneration Committee.

- Executive Directors
- Non-executive Directors
- Independent Non-executive Directors

OUR OPERATING CONTEXT

UK economy

Unsurprisingly, the factor dominating the UK's economic progress during the past 12 months has been the Brexit process. This has particularly been the case since the Article 50 process for leaving the EU was instigated in March 2017, followed by the June election that resulted in a weakened national government. The resultant uncertainty over the shape of the ultimate trading deal between the UK and the EU, if any, has become an increasingly negative factor affecting the economy.

The level of economic growth had been maintained during the six months immediately after the vote, reflected in buoyant consumer spending. However, the decline in the value of sterling, which since the Brexit vote has dropped by 14% against the currencies of the UK's major trading partners, increasingly fed through to the price of household goods from the beginning of 2017. For a period, the effect on households was mitigated by relatively low oil costs. However, as oil prices rebounded, household budgets began to be impacted. This effect was exacerbated by the failure of wage rises to keep pace with price increases, partially as a result of pay restraint in the public sector. During August 2017 the UK's Consumer Prices Index rose to 2.9%, a figure that incorporated a 4.6% annual rise in the cost of clothing and footwear. This compared with a wage inflation figure of 2.1%.

This led to a slowdown in the increase in consumer spending, which in Q3 of 2017 grew by 1.5% per annum, the lowest rate since 2013. Much of this was due to a sharp reduction in car sales, with spending on food items continuing to hold up relatively well. Online sales continued to increase their share of the market, accounting for 17% of all retail spend at end-September 2017.

Following the end of the Company's financial year, survey figures released by the Confederation of British Industry ("CBI") at end-October 2017 showed UK retail sales taking their biggest year-on-year fall since March 2009. Albeit based on limited submission data, the CBI survey lent further weight to the effect of higher prices on consumer spending. The survey results were published on the same day as motor industry figures were released, showing a 9% year-on-year drop in new car sales during September. Again, the blame fell on reduced consumer spending power, together with uncertainty regarding future government policy on diesel engines.

Notwithstanding the lag in consumer incomes and relatively weak GDP, the continued increase in price inflation during September increased pressure on the Bank of England to raise interest rates, culminating in early November's rise to 0.5%, the first increase in more than a decade. This was despite concerns that the level of consumer debt, stimulated by historically low interest rates, would be exacerbated by the rise and further affect consumer confidence.

More positively, the UK economy clearly continues to create new jobs, with the number in employment continuing to rise each month throughout 2017 and job opportunities in the economy at a record high. At end-August 2017 the employment rate was 75.1% of the available workforce. This compared with 74.5% a year earlier. With 215 000 fewer unemployed persons over this period, unemployment reached its lowest level since 1975.

Overall, UK consumers are expected to continue to spend on essential items, whilst adopting a cautious approach to non-essentials, particularly in view of anticipated rises in utility prices and rail fares.

UK property investment market

Despite the headwinds felt by the UK's domestic economy, the UK commercial property investment market has continued to perform robustly. According to Savills, overall investment volumes rose by 1% in the first half of 2017, compared with H1 2016, to GBP27.2 billion. Investment activity continued to show a 50/50 spread between London and the regions. With rental levels broadly holding firm, the fall in the value of sterling against other major currencies resulted in a continuation of the weight of overseas investment in UK property. As well as taking an optimistic view of the UK economy in the longer term, overseas investors remain attracted by the UK's robust commercial and legal framework, and overseas buyers were involved in all of the UK's top five property deals of Q2 2017.

Research by Lambert Smith Hampton reported that the strongest performing sector in the first half of 2017 was industrial and logistical assets, especially distribution warehouses which showed particularly large volumes of transaction activity. Q2 2017 also showed UK institutional investors making meaningful purchases for the first time since the Brexit vote. Pricing has remained relatively stable, with the All Property average transaction yield, at 5.65% in Q2 2017, only one basis point lower than in Q1 2017, and identical to the figure in Q2 2016. However, within this, the Q2 2017 average yield for shopping centres and retail warehouses was 80 bps higher than 12 months earlier.

Overall levels of investment in the retail sector during the latter part of the Company's financial year, whilst relatively subdued, showed an improvement on 2016, with GBP205 million of investment transactions completing during Q3 2017 in five deals for major centres, with a number of smaller schemes also changing hands. Lot sizes of GBP20 million and below continue to be popular within the UK market, particularly where they are dominant in their locality and anchored by major food retailers.

UK retail

As indicated above, market conditions for UK retailers in the immediate aftermath of the Brexit vote were not nearly as difficult as had been feared. However, the increasing cost of imported goods, as a result of the reduction in the value of sterling, began to show in shop prices from the beginning of 2017. The impact was exacerbated by the increasing gap between prices and wages, where increases were generally muted, especially in the public sector.

Overall, retailers continued to perform with resilience in the face of increasing testing market conditions, with prices increasing by 3% in the 12 months to end-August 2017 whilst maintaining sales volumes. As in 2016, investment activity in shops continued to be concentrated on prime pitches, convenience locations and shopping centres that are demonstrably dominant in their local economies.

The findings of the October CBI retail survey, described above, have given rise to concern, as have reports of profit reductions by major retail chains. It is generally agreed that prospects for 2018 depend to a large extent on growth in real earnings. Much hope is pinned on Government comments regarding a relaxation of public employee wage restraint in certain sectors, together with the economy's continued ability to create new jobs. It is also likely that the immediate shock of price increases following the weakening of sterling will begin to dissipate. Value retailers within the food, general merchandise and fashion segments are expected to continue to do well as shoppers maintain a cost-conscious approach.

Research by Cushman & Wakefield remains positive regarding the outlook for UK shopping centres. Despite the increase in internet retailing, physical stores are expected to remain the prime focus of the shopping experience. Occupiers are thought to be increasingly comfortable with their centre outlets complementing their online business, and vice versa. Retailers appear to be increasingly flexible regarding the size, format and positioning of their stores within centres, and willing to trial their brands in new locations. Shopping centres that respond flexibly to this trend, particularly those which can provide “experience shopping” including a mix of food and entertainment, are expected to do well.

Europe

Taken as a whole, the eurozone economies grew 1.1% during Q1 and Q2 of 2017, prompting the European Central Bank (“ECB”) to raise its forecast for overall GDP growth for the year to 2.3%. If achieved, this would be the fastest rate of growth since 2007, prior to the impact of the financial crisis. Inflation continued to remain subdued, anticipated to be at 1.2% in 2018, below the ECB’s target of 2%. The growth figures have continued to support the value of the euro against the US dollar, up 13% during 2017, with a corresponding impact on export prices. With ECB interest rates expected to remain steady for the foreseeable future, in October 2017 the ECB announced that it would reduce its quantitative easing programme by 50% from January 2018.

There appears to be general agreement amongst commentators that prospects for the eurozone economy remain bright, with positive data continuing to be received during Q2 and Q3 of 2017. Economic sentiment is at its highest level in a decade, industrial production continues to increase and unemployment is at a multi-year low. The German economy continues to lead the way, although significant

growth is expected in Latvia and Slovakia. The political picture within the eurozone is less bright, with uncertainties over the future trading relationship with the UK and the push for independence in the Catalan region of Spain.

The pan-European property market reflected a high degree of competition during the last quarter of 2016 and the first half of 2017, largely driven by a scarcity of available assets. Savills reported H1 2017 aggregate investment volume reaching EUR95 billion, maintaining the level of H1 2016, despite relatively subdued markets in the UK and France. Increases in cross-border investment activity were most marked in Austria, Germany, Norway and Spain. Whilst much transactional activity continued to be stimulated by US investors, 2017 has seen a further increase in market participation by Asian players, reported to have increased in Q3 2017 by 57% on the same period in 2016. Chinese investors, in particular, have been seen to be active across the continent. With business confidence generally rising in the eurozone, and unemployment falling, the year has also seen a return to the market by some European investors.

Savills forecast yields to remain broadly static across the majority of European markets, with an increase in investment activity anticipated in Q4 2017 and into Q1 2018, particularly in Germany. This may also be reflected in markets in Austria, Spain and the Netherlands which have previously been behind in the market cycle.

Recognising the growth in e-commerce, investors increasingly favoured logistics assets. This sector saw the largest rise in transaction activity, with aggregate volume up to EUR14.8 billion in H1 2017, from EUR11.1 billion in H1 2016. This trend looks set to continue, particularly with yields in other asset classes, especially central business districts, forecast to see little, if any, reduction in 2018.

OUR PROPOSITION TO INVESTORS



Attractive offshore property investment

- Robust and secure offshore structure.
- Exposure to geared property investments in low interest rate environment.
- Benefit from the increase in e-retailing activity across Europe.
- Euro and GBP exposure.



Investment in a UK REIT

- UK REITs distribute at least 90% of property rental profits.
- Returns in GBP.



Strong shopping centre portfolio

- Quality retail property portfolio underpinned by long-term leases, low vacancies, strong anchor tenants and situated in dominant locations.
- Significant opportunities for value enhancement in the portfolio.



Experienced pan-European asset manager and executive management

- Strong value enhancing acquisition pipeline.
- Agility to adapt to changes in the macroeconomic environment.
- Quick and flexible capital raising ability.



SECTION

02

Our Performance

CEO'S REPORT AND PORTFOLIO REVIEW



The Company has completed a post-year end acquisition in Ireland and has also explored a number of similar opportunities

Our portfolio during the year remained unchanged, comprising three dominant UK shopping centres, all of which have exciting asset management opportunities and projects in the pipeline. The portfolio has not been immune to external pressures in the UK investment property market, but the performance in the year under review is encouraging. The promising prospects of the UK properties endure, demonstrating the resilience of the original portfolio. Our achievements in diversifying our focus have been pleasing, with the post-year end acquisition of a modern logistics unit in Dublin, Ireland and a good array of similar acquisitions in the pipeline. The Company's primary objective of investing in and developing good quality property assets in the UK and Europe, remains well on track, with the current focus on the logistics/warehouse space in mainland Europe.

Your Board has announced that the final dividend is GBP3.6 pence per share (GBP5.5 million) and this, combined with the interim dividend, totals GBP7.2 pence per share (GBP11 million). The dividend is slightly lower than the previous year's dividend due to a number of tenant receiverships and because there were no acquisitions in the period.

OUR OPERATING CONTEXT

In the year under review, the people, government and economy of the UK have been dominated by the triggering of Article 50 following the Brexit result. The progress made in these Article 50 negotiations, so far, has been slow, with many outstanding issues remaining. However, both sides expect efforts to accelerate in the months to come.

While the UK economy performed better than expected following Brexit, it has slowed in 2017. Economic growth of 1.5% is expected for the year, but increasing to 2% in 2018 with an unemployment rate of 4.5%. Inflation has climbed to 3% for the first time since April 2012, driven by the depreciation of sterling which has increased, among other things, the cost of imported goods. During the period, the 5-year money rates increased to over 1% as economists forecasted an interest rate rise in the relative short-term.

The eurozone is seeing growth divided between the old members, which is positive, and the new members, which is sluggish post the financial crash in 2008.

Inflation within the eurozone is at 1.5%, GDP is 2.3% with unemployment at 9.1% down from 10.3% in January 2016.

ACQUISITIONS AND EXECUTION OF THE REFINED STRATEGY

New Frontier acquired unit 1, Stadium Business Park, Dublin, Ireland on Tuesday 31 October 2017 for a consideration of EUR8.65 million, representing a net initial yield of 8.23%. This demonstrates our commitment to implementing our new investment strategy. The property is located in a strategic logistics position in north-west Dublin near the International Airport and Dublin Port Tunnel. The tenant, Viking Direct (Ireland) Limited, has a 20-year full repairing and insuring lease that commenced on 24 August 2007 at a rental of EUR743,518 per annum.

During the year, New Frontier identified and assessed a number of similar opportunities. We are close to executing a transaction in Germany that will further expose the Group to the European logistics/warehouse market, allowing the Company to take advantage of the rise in e-retailing activity across Europe as well as broadening its hard currency exposure.

LETTING ACTIVITY AND LEASE RENEWALS

During the year, our asset managers improved the vacancy rate to 5.49% by ERV (2016: 6.48%) through 54 leasing events. The retail sector is experiencing increased pressure from the growth in online sales with long-term core new lettings and lease renewals being broadly flat at (0.5%) by ERV. That said, the performance of our Burton upon Trent and Blackpool properties offset the more challenging conditions experienced by our Middlesbrough property, which fell short of expectations resulting in a fall in the value of the centre.

The asset managers initiated a number of exciting projects in the 2017 financial year:

- At Blackpool, heads of terms were agreed for a new IMAX cinema development with ancillary retail.
- At Burton, a 25,052 sq ft new Next has opened in the old BHS unit and terms have been agreed with H&M for the remaining space.
- At Middlesbrough, the team is progressing with a number of new lettings which will strengthen and improve the quality of the scheme's tenants further.

KEY PERFORMANCE INDICATORS TO 31 AUGUST 2017

	2017	2016
Overall occupancy based on ERV	94.51%	93.5%
Core lettings above ERV	(0.5%)	6.6%
Cost to income ratio	9.83%*	13.7%
Value of portfolio (GBP)	266 million	272.9 million
ERV (GBP)	18.24 million	18.9 million
Dividend	7.2p	7.6p

* The fall in the cost to income ratio is due to the reduction of the asset management fee following amendments to the asset management agreement.

Our shopping centres were valued at 31 August 2017 by an independent valuer, Colliers International Valuation UK LLP, at GBP266 million as set out below. This equates to an overall 6.57% (topped up) initial yield, 6.42% reversionary yield and 6.6% true equivalent yield.

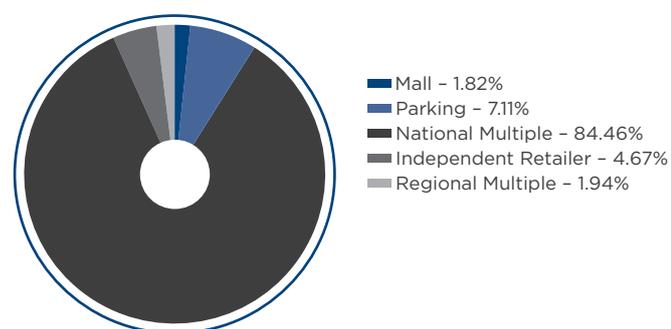
Property	Location	GLA sq ft	Acquisition date	Valuation 2017 (GBP)	Valuation 2016 (GBP)
Coopers Square	Burton upon Trent	402 429	14 April 2015	95 000 000	94 350 000
The Cleveland Centre	Middlesbrough	411 960	14 April 2015	72 500 000	80 000 000
Houndhill Shopping Centre	Blackpool	302 377	23 September 2015	98 500 000	98 500 000
TOTAL		1 116 766		266 000 000	272 850 000

The small reduction in the value of the portfolio of 2.51% reflects the fall in income and value of the Cleveland Centre in Middlesbrough.

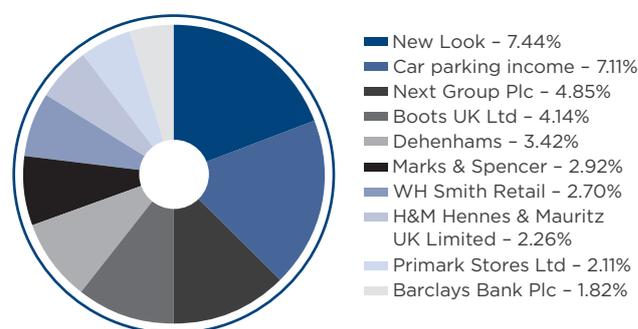
Income by covenant type

The vast majority of tenants in New Frontier's shopping centres are a strong covenant with 84.46% of gross rental income coming from national retail operators.

Income type



Major tenants by income



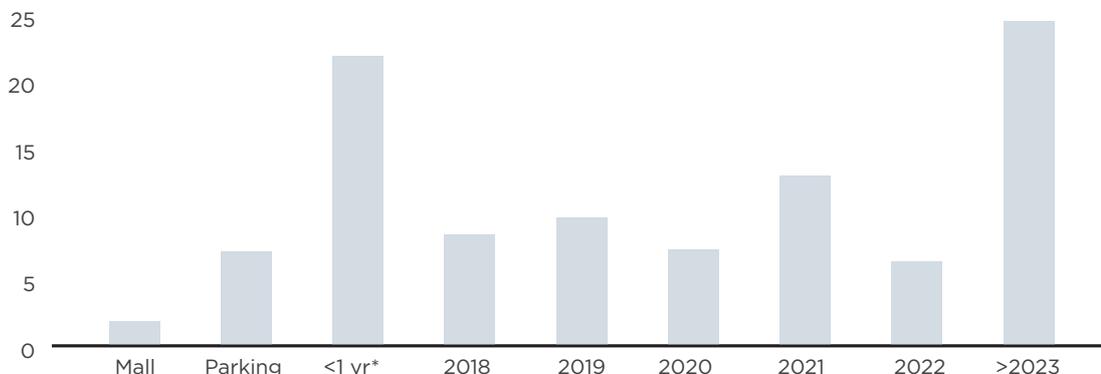
Tenant profile

The Company's tenant profile, based on existing leases, are graded as follows:

- **Class A:** National Multiple Retailers, Listed Companies
- **Class B:** Regional Multiples smaller retailers
- **Class C:** Local traders, independent retailers, small local companies

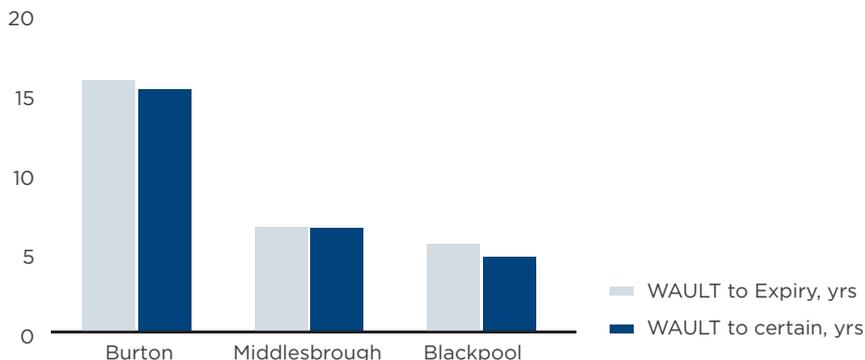
As at 31 August 2017, the Company had 38 Class C tenants.

Lease expiry by gross rental



* 21.94% of income expires within first year, where 8.25% of income attributes to holding over leases.

Weighted average unexpired lease term



The centres benefit from a WAULT to expiry of 9.41 years and to a term certain of 8.90 years.

Key Performance Measure

The Company uses distribution per share as its key performance measure for trading statement purposes.

Appreciation

I would like to thank the Board for their continued sound advice and guidance and our shareholders for their support. Our Company’s advisers, asset managers and centre managers have worked extremely hard and their contribution has been much appreciated.

Mike Riley
Chief Executive Officer



Coopers Sq

PANDORA

PANERA

SECTION 03

CORPORATE GOVERNANCE REPORT

STATEMENT OF COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

(Section 75(3) of the Financial Reporting Act 2004 of Mauritius)

Name of Public Interest Entity: New Frontier Properties Ltd

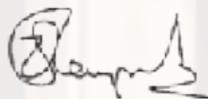
Reporting Period: 1 September 2016 to 31 August 2017

We, the directors of New Frontier Properties Ltd, confirm that, to the best of our knowledge, the public interest entity has complied with the Code of Corporate Governance other than as set out below:

The Company is pleased to report that its corporate governance structures improved from the prior reporting period, and that they, in material form, met with international best practice. The following derogations from the Code are noted, together with reasons for non-compliance:

- 3.9.5 The Nominations Committee did not have a majority of non-executive directors during the year. The Board considers the current composition of the Nominations Committee adequate in line with its size and relative simplicity of its business model.
- 3.9.3 The Company has not established a separate Board Risk Committee, the Board having decided that due to the Company's size and the relative simplicity of its business model, the risk management process can be adequately managed by the Company's Audit and Risk Committee.
- 5.3 The Company has not established an internal audit function, the Board having decided that the cost of this is not justified bearing in mind the Company's size and the relative simplicity of its business model. The Board will consider the need for an internal audit function on a quarterly basis, taking account of advice from the Audit and Risk Committee and the Company's auditors. The last such consideration was on 4 July 2017.

Signed by:



**Mr Tinesh Sharma
Ramprasad**

Director

15 October 2017



**Mr Daniel William Desmond
Romburgh**

Director

CORPORATE GOVERNANCE REPORT

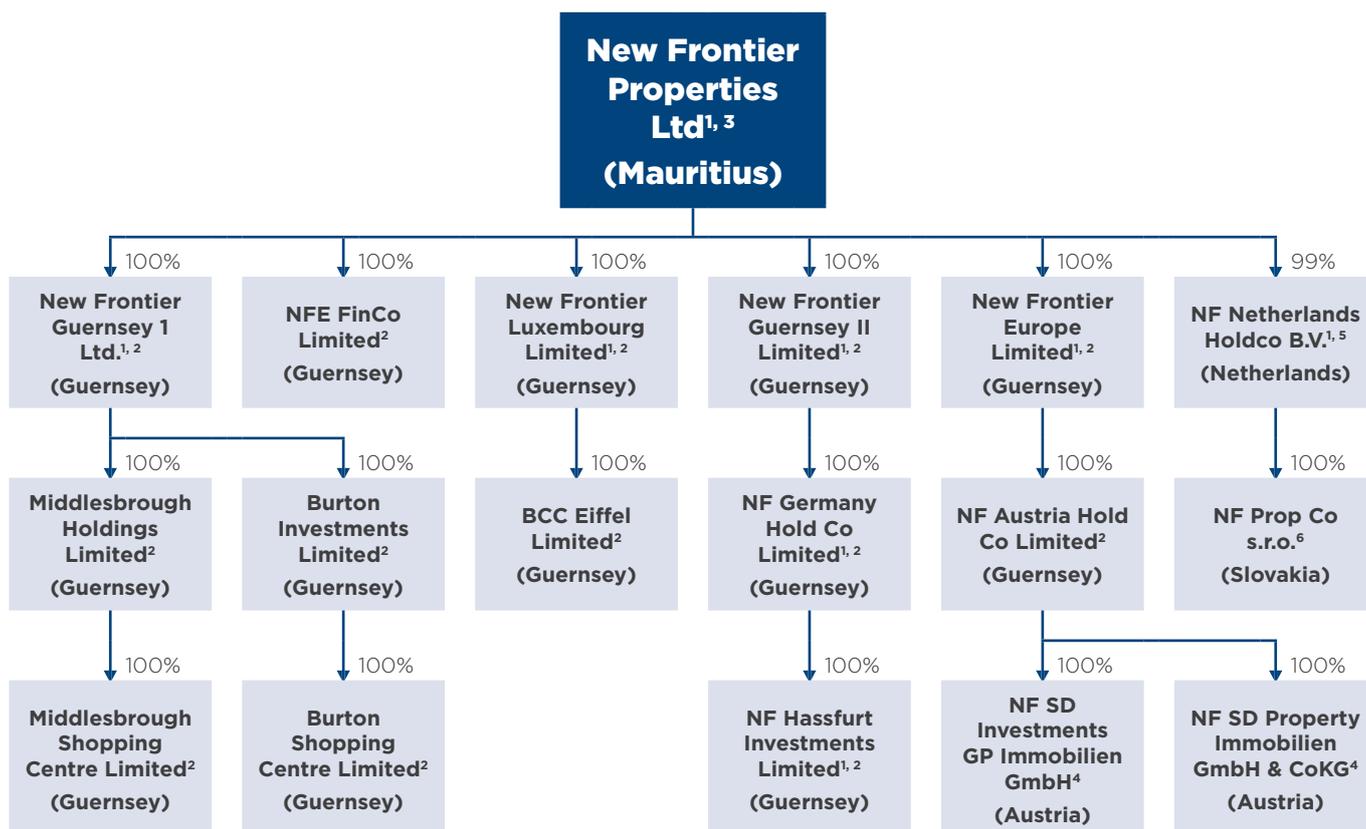
FOR THE YEAR ENDED 31 AUGUST 2017

INTRODUCTION

New Frontier operates under corporate governance policies that embrace the principles and recommendations set out in the Report on Corporate Governance for Mauritius dated October 2003 (“the Code”). The Company is also committed to fulfilling the principles of the King Code on Corporate Governance, 2016 (“King IV”) applying to companies whose shares are traded on the JSE Limited. The Board of New Frontier is responsible for the application of the principles contained in King IV and the Code and operates in accordance with terms of reference that comply with such codes.

COMPANY STRUCTURE AND SHAREHOLDING

The holding structure of the Company as at the date of this report is set out below:



1 Michael Riley is the director of these entities;

2 Nicola Walker, Jon Baker and Nicky Simon are the directors of these entities;

3 Sisa Ngebulana, Marelise De Lange and Andile Mazwai are the directors of this entity;

4 Ferdinand Mayer and Martin Wager are the directors of these entities;

5 Meine van den Dolder and Gerardus Johannes Kamp are the directors of this entity; and

6 Pavel Svarc and Jiri Matzner are the directors of this entity.

SHAREHOLDING

At 31 August 2017, the issued and fully paid-up share capital of the Company was 152 774 750 shares, each of no par value.

As at 31 August 2017, the following shareholders had holdings exceeding 5% of the Company's total shares in issue:

	%
BVI 2023 (Pty) Ltd*	5.98
BVI 2024 (Pty) Ltd*	5.98
BVI 2025 (Pty) Ltd*	5.98
BVI 2026 (Pty) Ltd*	5.98
BVI 2027 (Pty) Ltd*	5.98
Prescient Global Qualified Investor Type Fund PLC	8.94
Delfisat (Pty) Ltd*	5.44
Delfiflo (Pty) Ltd*	5.44
Delfiwiz (Pty) Ltd*	5.44
Lesasign (Pty) Ltd*	5.44
Delficraft (Pty) Ltd*	5.44
Delfitime (Pty) Ltd*	5.37
Clyroplex (Pty) Ltd*	5.14

* It is noted that these shareholdings are as a result of various Share Purchase Agreements entered into between the shareholders listed above, which agreements all have the effective date of 31 August 2017, notwithstanding the date of the transfer of the shares.

Public/non-public shareholders	Number of shareholders	Number of shares	%
Non-Public Shareholders			
Directors and associates	1	89 954	0.06
Rebosis Property Fund Ltd	1	57 603 936	37.7
Friedshelf 1748 (Pty) Ltd	1	45 679 655	29.90
Public Shareholders	96	49 401 205	32.34
Shareholder classification			
Holding Company			37.7
Mutual Fund			14
Trust			13
Retirement Fund			4
Other			6.71

CONTRACTS OF SIGNIFICANCE

There was no contract of significance subsisting during the period to which the Company is a party and in which a director was materially interested, either directly or indirectly.

DIVIDEND POLICY

The Company aims to supply its shareholders with ongoing returns in the form of stable dividends. The dividend policy during the period was as follows:

The Company in general meeting may declare dividends but may not declare a larger dividend than that declared by the directors and no dividend may be declared and paid except out of profits and unless the directors determine that immediately after the payment of the dividend:

- The Company shall be able to satisfy the solvency test in accordance with Section 6 of the Mauritian Companies Act 2001; and

- The realisable value of the assets of the Company will not be less than the sum of its total liabilities, other than deferred taxes, as shown in the books of account, and its capital.

Interim Dividends - The directors may from time to time pay to the shareholders such interim dividends as appear to the directors to be justified by the surplus of the Company.

Subject to the rights of holders of shares entitled to special rights as to dividends, all dividends shall be declared and paid equally on all shares in issue at the date of declaration of the dividend.

The Company elected to join the UK Real Estate Investment Trust ("REIT") regime with effect from 21 October 2015. The UK REIT regime offers certain tax advantages to the Company and guarantees a 90% distribution of the aggregate net property rental income, calculated on a UK Corporation tax basis, to shareholders.

BOARD OF DIRECTORS

The Board of Directors is responsible to Shareholders for setting the direction of the Company through the establishment of strategic objectives and key policies. The Board holds ultimate responsibility for and control over the Company's affairs and monitors the operational activities and decisions of the asset manager. The Board is responsible for the Company's corporate governance system, and is ultimately accountable for its activities. In particular, the Board:

- Assesses and approves strategic plans;
- Approves financial plans and budgets;
- Monitors operational performance; and
- Determines processes for risk management and internal controls.

The Board's policy is that the majority of directors shall be independent and non-executive.

The following directors held office during the period:

Sisa Ngebulana (Chairman)*	appointed 25 March 2015
Kameel Keshav*	appointed 25 March 2015, resigned 29 June 2017
Daniel Romburgh*	appointed 20 June 2014
Tinesh Ramprasad*	appointed 22 June 2015
Andile Mazwai*	appointed 25 March 2015
Michael Riley	appointed 7 April 2015
Nigel Gurkin	appointed 4 April 2016
Richard Thomas**	appointed 20 October 2015 (appointed as Lead Independent Non-executive Director on 11 January 2017)
William Heaney**	appointed 20 October 2015
John Needham**	appointed 4 April 2016, resigned 30 September 2017
Marelise De Lange*	appointed 5 July 2017

* Non-executive

** Independent non-executive

Sisa Ngebulana, Kameel Keshav, Daniel Romburgh, Tinesh Ramprasad, Andile Mazwai, Michael Riley, Nigel Gurkin, William Heaney, John Needham and Richard Thomas were re-elected to the Board at the Annual General Meeting of the Company held on 28 February 2017.

Biographies of the Company's directors are set out on pages 12 and 13.

CORPORATE GOVERNANCE REPORT *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

All major strategic decisions are taken by the Board as a whole and there is a formal schedule of items reserved for consideration by the Board. The Board constitutes the senior management of the Company. The Board meets regularly to review the Company's operations and progress with the Company's investment strategy. Each Board meeting has a formal agenda and key items, such as portfolio performance and progress with acquisitions, are reviewed on a regular basis. The Board also monitors finance, risk, corporate responsibility and environmental matters. All directors receive relevant reports and papers prior to each meeting. Additional meetings and discussions take place outside the Board's regular meeting schedule as the need arises. The executive directors consult the non-executive directors on a regular basis. The non-executive directors also hold discussions in the absence of the executive directors.

The responsibilities of each director have been made clear to them and they are provided with written material regarding the Company's corporate governance arrangements, including the Board Charter and the terms of reference of the Board's committees. All directors have access to the advice and services of the Company Secretary and also have access to independent professional advice at the Company's expense.

The following directors are also directors of other companies listed on public stock exchanges:

- Daniel Romburgh: Trevo Capital Ltd, VestIN Holdings Ltd, Astoria Investments Ltd.
- Sisa Ngebulana: Reboasis Property Fund Ltd.
- Marelise De Lange: Reboasis Property Fund Ltd.
- Andile Mazwai: Reboasis Property Fund Ltd, JSE Ltd.

BOARD CHARTER

The Board has adopted a charter on the terms set out below.

Board members are the link between the shareholders and the Company and are collectively responsible to lead and control the Company to enable it to attain its strategic objectives. In discharging its duties, the Board should be guided by the interests of the Company and its business and shall take into account the interest of stakeholders.

The broad responsibilities of the Board are to:

- Set the Company's vision, mission and values.
- Determine the strategy and policy of the Company and its subsidiaries to achieve those objectives.
- Monitor and evaluate the implementation of strategies, policies and performance measurements.
- Exercise leadership, enterprise, integrity and judgement in directing the Company.
- Identify and assess key risk areas of the business and ensure that measures are taken to mitigate those risks.
- Ensure that effective internal controls systems are in place to safeguard the Company's assets.
- Ensure compliance with laws and regulations, including risk management and corporate governance practices and disclosure requirements.
- Assess auditors' work both internal and external.
- Approve the annual report.
- Evaluate performance and review compensation of senior management and directors.
- Ensure adequate succession planning.
- Ensure adoption of good corporate governance practices.
- Ensure effective communication with shareholders.

In order to meet all the legal and regulatory requirements and effectively discharge its duties, including the exercise of adequate oversight over the activities of the subsidiaries and other entities of the Group, the Board may delegate some of its functions to specialised Board committees. From time to time, the Board may delegate specific assignments to directors or other parties to better guide the Board in important matters requiring significant expertise. Delegation however does not discharge the Board from its duties and responsibilities and while delegating authorities, the Board should bear in mind its fiduciary duties and responsibilities under the Companies Act.

The Board is satisfied that it has fulfilled its responsibilities in accordance with its charter for the reporting period.

Board Composition

The Board should be composed of at least 4 members and should not exceed 12 members, as determined in consultation with the Corporate Governance and Remuneration Committee, provided that:

- the Board shall include 2 Mauritian resident directors while the Company is required to meet the GBC1 licencing requirements; and
- the number of directors resident for tax purposes in a jurisdiction other than the UK shall be less than the number of directors solely resident in the UK for tax purposes.

The Board should include non-executive members who are independent, as defined in the Code and King IV.

All members of the Board should be individuals of integrity and, collectively, should bring a blend of knowledge, skills, objectivity and experience to the Board to enable it to carry out its functions effectively.

While the Board currently does not consist of a majority of independent, non-executive directors, the Board is satisfied that its composition reflects an appropriate mix of knowledge, skills, experience, diversity and independence. There is a clear balance of power and authority at Board level, ensuring that no one director has unfettered decision making powers.

Directors are recommended to the Board by the Nominations Committee and may be appointed by the Board or by the Company in general meeting.

Directors' retirement should be planned to ensure adequate continuity i.e. there should be staggered retirement of directors.

Chairperson

The members of the Board shall elect a non-executive Chairperson, who must possess demonstrated expertise and experience to provide firm and objective leadership. The Chairperson should not be involved in the day-to-day running of the business and should not be a full-time employee of the Company.

The main roles of a Chairperson shall be to:

- Preside over meetings, encourage participation of directors in Board matters and mediate differences of opinion, provided that the Chairperson shall attend all Board meetings in the United Kingdom and shall not have a casting vote.
- Evaluate the performance of directors collectively and individually.
- Guide the Board and Senior Management ensuring time for consultation, preparation of agenda and minutes and supervision of implementation of resolutions.

- Ensure adequate succession planning for directors and management.
- Ensure that all relevant information on financial and operating matters is placed before the Board to enable directors to reach informed decisions.
- Ensure adoption of good corporate governance practices.
- Maintain relations with shareholders of the Company and ensure that information is clearly communicated to them through appropriate disclosure.

The Chairperson shall be appointed for a pre-approved term, in accordance with the Company's Constitution and the Code.

The current Chairperson of the Board of the Company is not considered to be independent and, as a result, the Board has appointed Richard Thomas as Lead Independent Non-executive Director with effect from 11 January 2017.

Executive Directors

The Board shall also appoint at least 2 executive directors to whom some functions will be delegated. The executive directors will have responsibility for managing the day-to-day business and operations of the Company. The Board will have to appoint a Chief Executive whose responsibility amongst others will be to:

- Develop and recommend to the Board a long-term strategy and vision for the Group that would generate adequate shareholder value.
- Develop and recommend to the Board annual business plans and budgets that support the long term strategy of the Group.
- Provide to the Board all relevant financial and operating information to enable them to assess performance.
- Strive to achieve the Group's financial and operating goals.
- Serve as the chief spokesman for the Company on all operational issues, further to discussion with the Board on the division of responsibilities for communication with shareholders and other stakeholders.
- Maintain a positive and ethical work climate that is conducive to attracting, retaining and nominating a diverse group of top-quality employees at all levels of the Company.

The Chief Executive Officer ("CEO") shall be nominated by the Nominations Committee, with any additional executive directors nominated by the CEO. All executive directors shall thereafter be appointed in the manner as provided in the Company's Constitution.

Company Secretary

To ensure the smooth functioning of Board and Board Committee meetings, the Board should appoint a company secretary to:

- Assist the Chairperson of the Board with the agenda, information gathering and other logistics.
- Devise induction and training programmes for the new directors.
- Keep minutes and records of the Board/Board Committee meetings.

The Board has considered the competence, qualifications and experience of the company secretary and is satisfied with the competence, qualifications and experience of the company secretary. The company secretary is not a director of the Company and maintains an arm's length relationship with the Board at all times.

Board Committees

The Board shall have the following committees to which it can delegate some of its duties:

- Audit and Risk Committee
- Corporate Governance and Remuneration Committee
- Investment Committee
- Nominations Committee

Each committee has established Terms of Reference, which indicate the role and responsibilities of the committee. The composition of the committees will be reviewed at least once a year by the Corporate Governance and Remuneration Committee to ensure the balance of specialist skills, independence and experience, in accordance with the Company's guidelines.

The Corporate Governance and Remuneration Committee shall assess the collective effectiveness of the Committees and the Board. In addition, the Chairperson will individually appraise the directors.

The Committees shall submit to the Board the minutes of proceedings of their meetings.

Board Meetings

The Board shall meet at least four times annually in the UK only and meetings shall be convened by the Chairman, as scheduled or at the request of one or more directors. Meetings may be held by telephone or videoconference, provided that participants can hear each other simultaneously and provided that directors resident in South Africa for tax purposes shall not be entitled to attend the meeting by telephone or videoconference from South Africa. In the event that non-UK resident directors are attending the meeting by telephone or videoconference, they will only be permitted to vote if there is a quorum of UK resident directors physically present in the UK.

The meeting will be presided by the Chairperson or in his absence, by a director designated by the Chairperson. The quorum shall be three directors, of which at least one must be an executive director. No meeting of the Board shall be quorate unless a majority of directors attending that meeting are physically present at the meeting in the UK.

The Chairperson of the meeting shall consult with the absent members by telephone or other means whenever possible.

Resolutions should be preferably passed by unanimous vote. The minutes of proceedings of each meeting shall be approved at the following meeting as evidence that the resolutions have been adopted.

At least once a year, the non-executive directors shall meet separately to discuss the functioning of the Board and the executive directors, collectively as executive management and in their individual capacity, and address any issues that arise thereof, if any.

CORPORATE GOVERNANCE REPORT *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

In addition to the quarterly Board meetings set out above, additional Board meetings should be held to consider issues such as:

- Any issue of share capital or raising of new finance;
- The acquisition of/subsorption for shares;
- The decision to proceed with a particular project;
- The decision to acquire a particular asset;
- The decision to enter into any key agreements;
- Approval of budgets;
- Payment of dividends;
- Approval of accounts;
- Appointment of professional advisers (e.g. lawyers, bankers, accountants, etc.);
- The disposal of investments;
- The appointment and resignation of directors; and
- The appointment and dismissal of agents.

Internal Controls

Within the overall context of risk management, the Board pays special attention to the Company's internal controls. In discharging its responsibility for the effectiveness of internal controls during the period, the Board approach was based on the internal control framework summarised below:

- clear statements of the powers and responsibility of the Board;
- the establishment of scrutinising committees, reporting to the Board, covering key risk and operational exposures;
- prescribed limits on the authority of the asset manager;
- ability of independent directors to provide support to executive directors;
- effective systems for authorising investment and other capital expenditure;
- regular review meetings with asset manager, managing agents and other advisers, including adequacy of reporting arrangements;
- regular independent audits;
- monthly reporting to the Board of operational forecasts and results, with explanation of variances;
- regular review of the Company's capital funding requirements and debt/interest exposure; and
- quarterly reporting to the Board of health, safety and environmental matters.

The Company has not established an internal audit function, the Board having decided that the cost of this is not justified bearing in mind the Company's size and the relative simplicity of its business model. The Board considers that the monitoring work of the Audit and Risk Committee is key to the effectiveness of both the Company's internal control framework and its overall approach to the management of risk. The Board is satisfied that the Committee discharged its responsibilities effectively during the period.

UK-REIT status

In order to maintain the UK-REIT status of the Company, the Board shall ensure that all key management and commercial decisions are taken in the UK and that the UK resident executive directors carry out the day to day management of the Company.

Statement of Remuneration Policy

The Company's remuneration philosophy is to remunerate the directors fairly and responsibly.

In order to promote transparency, the compensation of the directors is disclosed below. The remuneration of directors was debated and recommended by the Corporate Governance and Remuneration Committee to the Board and approved unanimously by the shareholders in Annual General Meeting on 28 February 2017.

Remuneration Implementation Report

The following amounts are payable by the Company as non-executive directors' fees in respect of the period:

	GBP
For services as non-executive director for the period 1 September 2016 – 31 August 2017 (Paid by the Company)	
Sisa Ngebulana (Chairman of the Board, Nominations Committee and Investment Committee)	27 000
Andile Mazwai (former Chairman of the Corporate Governance and Remuneration Committee)	30 000
Daniel Romburgh*	13 000
John Needham (Chairman of the Audit & Risk Committee)	25 149
Kameel Keshav (former Chairman of the Investment Committee)	24 333
Richard Thomas	31 240
Tinesh Ramprasad*	9 000
William Heaney (Chairman of the Corporate Governance and Remuneration Committee)	21 000
Marelise De Lange	4 589
TOTAL	185 311

* The remuneration of Daniel Romburgh and Tinesh Ramprasad is paid by the Company to Osiris Corporate Solutions (Mauritius) Ltd, the Company's company secretary.

The executive directors are remunerated through the Company's asset manager, the details of which are set out below:

Executive directors' remuneration (paid by the Company's asset manager) for the period 1 September 2016 – 31 August 2017

	Remuneration GBP	Bonus GBP	Employers National Insurance Contribution GBP	Pension Contribution GBP	TOTAL GBP
Michael Riley (Chief Executive Officer)	245 000	0	32 683	0	277 683
Nigel Gurkin (Finance Director)	120 000	30 000	19 577	657	170 234

The Group did not pay any fees or benefits to directors other than the remuneration as disclosed in the tables above. There are no employees of the Company.

For service during 2016 – 2017 the non-executive directors, other than the Board Chairman, each receive a basic fee of

GBP10 000 per annum plus GBP1 000 for each meeting they attend. For the Chairperson of each committee this attendance fee rises to GBP2 000 per meeting. For the Chairman of the Board the basic fee is GBP15 000 per annum. The Company does not offer any retirement benefits to the Directors.

DIRECTORS' SERVICE CONTRACTS

The Directors who served during the period were appointed to serve by resolutions of the Board. The Directors have entered into service contracts with the Company and accordingly the appointment of the Directors is indefinite, subject to notice of three months on either side, and remains subject to all applicable laws and the provisions of the Company's Constitution, including the provision that any director shall hold office only until the next annual meeting and shall then retire, but shall be eligible for appointment at that meeting.

Conflict of Interest

A director must identify potential, perceived or actual conflicts of interests between him or herself and the Company. In such instances, the director must take such action, to the satisfaction of the Chairman, to avoid, manage and disclose the conflict which must include a restriction to inappropriate information and his or her recusal from making decisions on the matter.

Review

The Board's Charter may be reviewed at least once a year or as may be required, with the introduction of, or amendment to, laws, regulations and practices.

BOARD ATTENDANCES

The table below shows directors' attendance at Board and Committee meetings during the reporting period:

Director	Board	Corporate Governance	Audit & Risk	Investment	Nominations
Marelise De Lange	1/1	n/a	1/1	1/1	n/a
Nigel Gurkin	6/6	n/a	n/a	4/5	n/a
William Heaney	6/6	4/4	n/a	n/a	n/a
Kameel Keshav	5/5	n/a	4/4	4/4	n/a
Andile Mazwai	6/6	3/4	4/4	5/5	n/a
John Needham	6/6	n/a	5/5	n/a	n/a
Sisa Ngebulana	5/6	n/a	n/a	1/1	3/3
Tinesh Ramprasad	0/6	n/a	n/a	n/a	n/a
Michael Riley	6/6	4/4	n/a	5/5	3/3
Daniel Romburgh	6/6	4/4	5/5	n/a	n/a
Richard Thomas	6/6	n/a	5/5	n/a	n/a

DIRECTORS AND BOARD ASSESSMENT

The Board and the continuing Directors have undergone an assessment, which did not give rise to any negative feedback and confirmed their competence and fitness to occupy their respective positions within the Company.

COMMITTEES OF THE BOARD

In order to effectively address the needs of the Company and to further its commitment to best practice in corporate governance, the Board has established Corporate Governance and Remuneration, Nominations, Audit & Risk and Investment Committees. Each of the Committees has adopted its terms of reference as approved by the Board.

The Company's corporate governance structure as at 31 August 2017 is set out as follows:



The minutes of each committee meeting are circulated to the Board as a whole. Each committee operates within terms of reference determined by the Board having regard to independent external guidance. The duties of each Committee are summarised below.

Corporate Governance and Remuneration Committee – duties

- Formulate and recommend to the Board for approval a set of best practice corporate governance principles supporting the Company's strategic priorities, in accordance with the applicable Code of Corporate Governance;

- Monitor the Company's compliance with its adopted corporate governance principles;
- Review the Company's compliance with all relevant legal and regulatory requirements within the jurisdictions in which the Company operates;
- Monitor potential changes in such legal and regulatory requirements to ensure that the Company is in a position to respond appropriately to their introduction;
- Ensure that the Company has in place adequate processes for reporting and responding to any material regulatory breaches and the findings of regulatory agencies;
- Keep under review the Company's conduct and reputational risk profile, ensuring that the Company's

executives place appropriate emphasis on the Company's reputation as part of the key decision making process;

- Ensure that the Company has in place an adequate code of ethics and conduct regulating its dealings with investors, clients, advisers, employees and the public generally, monitoring the effectiveness of the code on an ongoing basis;
- Report formally to the Board on its proceedings and make recommendations to the Board on any area within its remit;
- Produce a statement on the Company's governance framework and its performance in relation to it for inclusion in the Company's annual report;
- At least annually, review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- Determine the level of non-executive and independent non-executive fees and recommend same to the Board for approval; and
- Liaise with the Board in relation to the preparation of the Committee's report to shareholders as required and to consider each year (and minute its conclusions) whether the circumstances are such that the Annual General Meeting of the Company should be invited to approve the remuneration policy set out in the Committee's report.
- A Social and Ethics Committee has not been established by the Company, as it is not a statutory requirement, but the Board is satisfied that the Corporate Governance and Remuneration Committee largely fulfils the role of the Social and Ethics Committee.

Audit & Risk Committee – duties

- Monitor the integrity of the Company's financial statements, including reviewing the financial statements prior to approval, including annual report and other periodic reports, results' announcements and statements relating to financial performance, focusing on significant financial reporting issues, major judgemental areas, significant audit adjustments, going concern and compliance with accounting standards and securities exchange and regulatory requirements;
- Monitor, and challenge where necessary, the consistency of and any changes to accounting policies, the selection of accounting methodology for significant transactions, the application of appropriate accounting standards and the clarity of disclosure in the Group's financial reports, including all material supporting information;
- Monitor the independence and objectivity of the auditors and make recommendations to the Board, to be put to members for approval at the AGM, in relation to the appointment, re-appointment and removal of the auditors and their remuneration and overseeing the selection process for new auditors as necessary;
- Consider any issues arising from the audit and any matters the auditors wish to raise;
- Review the effectiveness of the audit, including the auditors' management letter and the response of management to its findings and recommendations;
- Develop and implement policy on the engagement of the external auditor to supply non-audit services, and approve the terms on which the auditor may be engaged to supply such services;
- Review the internal procedures by which employees, advisers and contractors may raise concerns about possible improprieties in matters of financial reporting and other matters ("**whistleblowing**"), to ensure that arrangements are in place for the investigation of such matters and appropriate follow-up action;

- Advise the Board on the Company's overall risk profile, tolerance and strategy, taking account of the current and prospective macroeconomic and financial environment, and drawing on financial stability assessments such as those published by relevant industry and regulatory authorities;
- Oversee and advise the Board on the current risk exposures of the Company and future risk strategy, and prepare a risk matrix for the Company;
- Consider and approve the remit of the risk management function and ensure that it has: (i) adequate resources and appropriate access to information to enable it to perform its function effectively and in accordance with the relevant professional standards; and (ii) adequate independence and is free from management and other restrictions;
- Review promptly all risk management reports on the Company and review and monitor management's responsiveness to findings and recommendations contained in such reports (whether formal or informal);
- Ensure that the risk management function is provided with unfettered direct access to the Committee and the Chairman of the Board;
- Report formally to the Board on its proceedings and make recommendations to the Board on any area within its remit;
- Produce an annual formal report on the Company's risk management objectives, policy and management framework for inclusion in the Company's annual report, including in relation to financial instruments; and
- At least annually, review its constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

The Board is of the view that the Audit & Risk Committee has satisfied its responsibilities for the period, in compliance with its terms of reference.

The Audit & Risk Committee has considered and is satisfied with the overall appropriateness of the finance function's resources, experience and expertise as well as the experience and expertise of the finance director, who is responsible for the financial function. The Audit & Risk Committee is further satisfied that the appropriate financial reporting procedures are in place and are operating.

The Audit & Risk Committee assesses the requirement of an internal audit function on a quarterly basis. The Committee is of the opinion that the company does not require a separate internal audit function yet based on the nature and volume of transactions involved. The role of internal audit is currently undertaken by the finance team. The last review date was 4 July 2017.

While the Audit and Risk Committee currently does not consist of only independent, non-executive directors, the Board is satisfied with the current composition of the Committee and is satisfied that the members are able to exercise independent oversight.

Investment Committee – duties

- Review, at least annually, the Company's overall investment strategy and the appropriateness of the Company's current investment portfolio to the achievement of the Company's investment objectives and established risk profile;
- Formulate, for approval by the Board and subsequent application by the Committee, a framework and procedures for the consideration of individual investment proposals;

CORPORATE GOVERNANCE REPORT *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

- Review, challenge and approve (as appropriate) investment strategy proposals brought to its attention;
- Review the operational efficiency of the Company's investment management arrangements, including both internal and external resources;
- Review the performance of the Company's investment assets, in absolute terms and relative to relevant benchmarks;
- Report formally to the Board on its proceedings and make recommendations to the Board on any area within its remit;
- Produce a statement on the Company's investment objectives, policy and management framework for inclusion in the Company's annual report;
- Oversee any investigation of activities which are within its terms of reference; and
- Arrange for periodic reviews of its own performance and, at least annually, review its constitution and terms of reference to ensure that it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

Nominations Committee – duties

- Ensure the establishment of a formal process for the appointment of directors, having regard to relevant regulatory requirements and the Company's corporate governance principles, including:
 - identification of suitable members of the Board;
 - performance of reference and background checks of candidates prior to nomination;
 - finalising the appointment of directors through an agreement between the Company and the director;
- Make recommendations to the Board on the appointment of new executive and non-executive directors, including recommendations on the composition of the Board in general regarding the balance between executive and non-executive directors appointed to the Board;
- Review Board structure, size and composition and make recommendations to the Board where necessary with regard to any adjustments deemed necessary;
- Identify and nominate candidates for approval of the Board to fill Board vacancies as and when they arise, as well as put in place plans for succession;
- Ensure that the Managing Director or his equivalent has succession plans in place;
- Recommend to the Board for continuation (or not) in service of any Director who has reached the age of 70;
- Recommend directors who are retiring by rotation, for re-election;
- Recommend directors to the committees and recommend their tenure;
- Oversee the development of a formal induction programme for new directors; and
- Consider the performance of directors and take steps to remove directors who do not make an appropriate contribution.

RISK MANAGEMENT

The Board retains overall responsibility for risk management and for the definition of the Company's overall risk strategy and tolerance, having considered the recommendation of the Audit and Risk Committee. The key financial risks are set out in the financial statements. The Company's policy on risk management encompasses all significant business risks as described below.

Investment Restrictions

The Company's investment policies do not prohibit certain investment techniques such as concentration of investments in a small number of companies or sectors that may entail significant risks.

Political and/or Regulatory Risks

The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.

Specific Commercial Property Risks

Although over the long term property is often considered a low risk asset, investors must be aware that significant short- and medium-term risk factors are inherent in the asset class.

Number of Assets

As at the date of this document, the Company owns three property assets. The Company intends to mitigate any risks arising from this relatively small number through its programme of investment in further suitable properties.

The Board, with the advice of the Audit and Risk Committee, conducts an annual review of the effectiveness of its risk management regime. In doing so the Board considers the key findings of the Audit and Risk Committee and any recommendations of the Company's auditors arising from the ongoing monitoring and reporting processes and management reports. The review also takes account of material changes and trends in the Company's risk profile and considers whether the control regime, including reporting, adequately supports the Board in achieving its risk management objectives. The Board is satisfied that the risk management process is ongoing and has been operational during the reporting period.

The Board's approach to risk management adopts to the framework set out below:

Risk	Impact	Mitigation Strategies
Property risks		
Property investment market risks		
<p>Weakening economic conditions and poor sentiment in commercial/retail real estate markets could lead to tenant failures, increased vacancies and an adverse movement in valuation and distributions</p>	<ul style="list-style-type: none"> • Small changes in property market yields can have a significant effect on valuation. • Impact of leverage could magnify the effect on the Company's net assets. 	<ul style="list-style-type: none"> • Monitoring of indicators of market direction and forward planning of investment decisions. • Review of debt levels and consideration of strategies to reduce if relevant.
Impact of the economic environment		
<ul style="list-style-type: none"> • Tenant insolvency or distress. • Prolonged downturn in tenant demand and pressure on rent levels. 	<ul style="list-style-type: none"> • Tenant failures and reduced tenant demand could adversely affect rental income, lease incentive, void costs, cash and ultimately property valuation and distributions. 	<ul style="list-style-type: none"> • Diversified tenant base. • Review of tenant covenants before new leases signed. • Long-term leases and active credit control process. • Good relationships with, and active management of, tenants. • Vacancy management through temporary lettings and other mitigation strategies.
Threat from the internet		
<p>The trend towards online shopping may adversely impact consumer footfall in shopping centres</p>	<ul style="list-style-type: none"> • A change in consumer shopping habits towards online purchasing and delivery may reduce footfall and therefore potentially reduce tenant demand and the levels of rents which can be achieved. 	<ul style="list-style-type: none"> • Strong location and dominance of shopping centres. • Provision of "Click & Collect" within our centres. • Monitoring of footfall for evidence of negative trends. • Monitoring of retail trends and shopping behaviour.
Concentration and scale risk		
<ul style="list-style-type: none"> • By having a less diversified portfolio, the business is more exposed to specific tenants or types of tenant. • Smaller size of the business may reduce purchasing power. 	<ul style="list-style-type: none"> • Tenant failures could have a greater impact on rental income. • Reduced purchasing power could impact the ability to drive economies of scale and the feasibility of certain investment decisions. 	<ul style="list-style-type: none"> • Regular monitoring of retail environment and performance of key tenants. • Further diversification considered through acquisitions or joint ventures.
Competition risk		
<p>The threat to the Company's property assets of competing retail and leisure schemes</p>	<ul style="list-style-type: none"> • Competing schemes may reduce footfall and reduce tenant demand for space and the levels of rents which can be achieved. 	<ul style="list-style-type: none"> • Monitoring of new planning proposals. • Close relationships with local councils and willingness to support town centres. • Ensure that the Company's schemes are high quality. • Investment in traditional and digital marketing.
Funding and treasury risks		
Liquidity and funding		
<p>Weakening economic conditions and increased tenant failures may lead to an inability to fund the business or to refinance existing debt on economic terms when needed</p>	<ul style="list-style-type: none"> • Inability to meet financial obligations when due. • Limitation on financial and operational flexibility. • Cost of financing could be prohibitive. 	<ul style="list-style-type: none"> • Ensuring that there are undrawn facilities available. • Efficient treasury management and forecasting with regular reporting to the Board. • Option of asset sales if necessary.

CORPORATE GOVERNANCE REPORT *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

Risk	Impact	Mitigation Strategies
Covenant compliance risks		
Breach of any loan covenants causing default on debt and possible accelerated maturity	<ul style="list-style-type: none"> Unremedied breaches can trigger demand for immediate repayment of loan. 	<ul style="list-style-type: none"> Regular monitoring and projections of liquidity, gearing and covenant compliance. Review of future cash flows and predicted valuations to ensure sufficient headroom.
Interest rate exposure risks		
Exposure to rising or falling interest rates	<ul style="list-style-type: none"> If interest rates rise and are unhedged, the cost of debt facilities can rise and ICR covenants could be broken. Hedging transactions used by the Company to minimise interest rate risk may limit gains in a falling interest rate cycle, resulting in reduced profitability. 	<ul style="list-style-type: none"> Regular monitoring of the performance of derivative contracts and corrective action taken where necessary. Use of alternative hedges such as caps to benefit from falling interest rates.
Other risks		
Execution of business plan		
Failure to execute business plan in line with internal and external expectations	<ul style="list-style-type: none"> Potential loss of income or value resulting in lower cash flow and property valuation. Reputational damage negatively impacting investor market perception. 	<ul style="list-style-type: none"> Management of projects and individual shopping centres by experienced and skilled professionals. Strong relationships with retailers and relevant contractors/suppliers. Ongoing monitoring of performance against plan and key milestones by Directors and senior management.
Property acquisition/disposal strategy		
<ul style="list-style-type: none"> Exposure to risks around overpayment for acquisitions. Portfolio not effectively managed through the investment cycle, with sales and deleveraging at the appropriate time. 	<ul style="list-style-type: none"> Overpayment may result in acquisitions not delivering forecast returns. The Company may not be able to take advantage of other investment opportunities as they arise. Covenants may move adversely when the cycle changes. 	<ul style="list-style-type: none"> Regular monitoring of the property market and the use of professional advisers. Bank finance scrutiny. Impact of cycle reflected in business planning.
Tax risks		
<ul style="list-style-type: none"> Exposure to non-compliance with the REIT regime and changes in tax legislation or the interpretation of tax legislation. Potential exposure to tax liabilities in respect of transactions undertaken where the tax authorities disagree with the tax treatment adopted. Cross border tax risks between the countries in which we own companies. 	<ul style="list-style-type: none"> Tax related liabilities and other losses could arise. 	<ul style="list-style-type: none"> Monitoring of REIT compliance Expert advice taken on tax positions and other regulations. Maintenance of a regular dialogue with the tax authorities. Long-standing double taxation treaties in place between countries.
Regulation Risks		
Exposure to changes in existing or forthcoming property related or corporate regulation with the different countries in which we hold assets	<ul style="list-style-type: none"> Failure to comply could result in financial penalties, loss of business or credibility. 	<ul style="list-style-type: none"> Management undertakes training to keep aware of regulatory changes. Expert advice taken on complex regulatory matters.

Risk	Impact	Mitigation Strategies
Loss of key management		
Dependence of the Company's business on the skills of a small number of key individuals	<ul style="list-style-type: none"> Loss of key individuals or an inability to attract new employees with the appropriate expertise could reduce the effectiveness with which the Company conducts its business. 	<ul style="list-style-type: none"> Key management are paid market salaries and offered competitive incentive packages to ensure their retention within the asset manager. Succession planning for key positions is undertaken.
Currency fluctuations		
The assets of the Company may be invested substantially in securities, the income and proceeds of which will be received in currencies other than GBP	<ul style="list-style-type: none"> The value of the Shares and distributions in GBP terms will be adversely affected by any reductions in value of the relevant currency relative to GBP. In addition, the Company will incur transaction costs in connection with the conversions between other currencies and GBP. 	<ul style="list-style-type: none"> Investors can hold shares in GBP in Mauritius. The Company will consider hedging the currency risk.
Political and/or Regulatory risks		
The value of the Company's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets.	<ul style="list-style-type: none"> Dividends or capital could become trapped in the country through which it is passing. 	<ul style="list-style-type: none"> We only use well-regulated stock exchanges and countries with established legal systems and tax treaties.
Governance		
Non-compliance with legislation e.g. JSE and SEM requirements	<ul style="list-style-type: none"> Censures imposed by the stock exchange for breach of requirements, suspension or termination of the Company's listing. 	<ul style="list-style-type: none"> Active monitoring by corporate sponsors, company secretary, management and Board.
Reputational risk	<ul style="list-style-type: none"> Loss of investor confidence and resulting price volatility. 	<ul style="list-style-type: none"> Regular communication with stakeholders.
Skills and systems		
Loss or operational inadequacy of key staff and advisers	<ul style="list-style-type: none"> Reduced operational capability and consequential impact on shareholder value. 	<ul style="list-style-type: none"> Relationships with key advisers governed by appropriately termed contracts. Ability to replace advisers in the event of failure.
Information technology ("IT") failure	<ul style="list-style-type: none"> Loss of revenue as a result of loss of data. Impact on the Company's reputation in the event that the data is not recovered promptly. 	<ul style="list-style-type: none"> Off site storage of daily data back ups. Support of appropriately skilled IT resources.
Failure of the IT system to adequately address the business framework and processes	<ul style="list-style-type: none"> Inability to customise the software to meet all the needs of the Company. 	<ul style="list-style-type: none"> Regularly assess the appropriateness and sustainability of the systems suppliers. Periodic review of alternative systems.

CORPORATE GOVERNANCE REPORT *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

Risk	Impact	Mitigation Strategies
Operational		
Major health and safety incident – accidents causing injury to employees, contractors, occupiers and visitors to our properties	<ul style="list-style-type: none"> • Criminal or civil proceedings and resultant reputational damage. • Delays to building projects and can restrict access to shopping centres. 	<ul style="list-style-type: none"> • Regular Board reporting. • Dedicated specialist personnel. • Annual cycle of health and safety audits. • Established policy and procedures • Appropriate insurance is in place.
Security threat or attack – failure to identify or prevent a major security related threat or attack or react immediately and effectively	<ul style="list-style-type: none"> • Loss of consumer confidence with consequent impact on new lettings, renewal of existing leases and rental growth and loss of income. 	<ul style="list-style-type: none"> • Dedicated property security teams supported by CCTV and other physical security measures. • Experienced property management teams. • Regular on site and national training. • Group insurance programme protects against losses of rent and service charges due to terrorism. • Business continuity and crisis management practice.

The Board reviews the effectiveness of the Company’s risk management framework against the principal risks facing the business on an annual basis, with the assistance of the Audit and Risk Committee and taking account of recommendations from the Company’s auditors.

CONSTITUTION

The Company was incorporated in Mauritius on 5 June 2014 under the Mauritian Companies Act 2001 and is domiciled in Mauritius. The Company holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission of Mauritius.

The address of the Company's registered office is: B45 Twenty-Foot Road, 5th Floor, La Croisette, Grand Baie, Mauritius.

The Company's operational and executive management office is located at: 2nd Floor, 86 Brook Street, London W1K 5AY, United Kingdom.

The Company's objects are to carry out business activities relating to real estate. There are no material clauses in the Company's Constitution.

KEY DATES

The current financial year ends on 31 August 2018.

RELATED PARTY TRANSACTIONS

Any related party transactions are carried out on an arm's-length basis and are disclosed in the financial statements. Please refer to note 30.

SHAREHOLDERS' AGREEMENT AFFECTING THE GOVERNANCE OF THE COMPANY

There was no such agreement during the reporting period.

THIRD PARTY MANAGEMENT AGREEMENT

In March 2015 the Company entered into an asset management agreement with Waypoint New Frontier Ltd ("Waypoint"), a wholly-owned subsidiary of Waypoint Asset Management Ltd, a property investment adviser and property asset manager based in the United Kingdom. Under the terms of the agreement Waypoint provides property transaction and asset management services in relation to the Company's property investments in return for fees payable by the Company.

DONATIONS

The Company did not make any donations during the reporting period.

STAKEHOLDER RELATIONS AND COMMUNICATION

Subject always to regulatory restrictions, the Board aims to comprehensively understand and meet the information needs of all shareholders and places great importance on open and meaningful dialogue with all investors. The Board ensures that shareholders are kept informed on matters affecting the Company and open lines of communication are maintained as appropriate to ensure transparency and optimal disclosure. All Board members are requested to attend the Company's annual general meetings.

EMPLOYEE SHARE SCHEMES

The Company has no employees and accordingly there are no employee share plans.

INTEGRATED SUSTAINABILITY REPORT

The Company recognises that its operations and property assets are key elements of the communities in which they are located, in which economic, social and environmental issues are inter-related. The Company recognises the non-financial imperatives that this gives rise to, as set out below.

Ethical Approach to Business Conduct

Code of Ethics:

The Company is committed to the highest standards of integrity and ethical conduct in dealing with all its stakeholders. The Company's code of ethical conduct has been adopted to give effect to the Company's core values and to guide the Company's relationships with all its stakeholders and other relevant role-players as well as to outline the Company's commitments to them.

The code of ethical conduct will also be applied to establish the suitability of all prospective directors, managers, employees, independent contractors, agents, service providers and business partners irrespective of their status as natural person, legal person or other entity, prior to their appointment by the Company.

All persons who act on behalf of the Company are therefore required to behave and transact business in accordance with the highest professional standards. Besides adhering to the Company's code of ethical conduct, they will be expected to comply at all times with the regulations of any professional bodies to which they are affiliated.

The code of ethical conduct is reviewed by the Corporate Governance and Remuneration Committee on an annual basis. The Board is not aware of any transgressions of the code during the period.

The Company's core values include:

- Integrity in Business Dealings.
- Excellence in Professional Standards.
- Commitment and drive in delivering enterprise value.
- Compassion for people and the environment.
- Teamwork.

The Company strives to observe strictly national and international legislation and to ensure that all agreements, conduct and procedures comply with all applicable laws, codes of best practice as well as the Company's own policies and procedures.

Any payment or granting of valuable advantages to persons employed by customers or payments to any other persons not employed, including public officers paid with the intention to obtain an advantage, will be considered a violation of Company policy, irrespective of applicable local law.

Similarly, no director, manager or employee of the Company may at any time receive or give any entertainment or gifts to and from current or potential customers, suppliers or other parties of any material amount such that it could influence the ability to make an independent decision in the sole interest of the Company.

The Company is committed to the maintenance of a healthy and productive work environment, complies with all applicable health and safety regulations and expects its advisers and contractors to do likewise. During the year the Company arranged for independent experts to carry out separate fire safety and general health and safety inspections at each of its properties. The reports produced were made available to the Board and action taken to comply with the recommendations which they contained.

CORPORATE GOVERNANCE REPORT *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

The Company endeavours to promote a culture of openness and transparency throughout the Company and stakeholders are encouraged to report unethical conduct and other transgressions of which they become aware.

Environment

It is the intention of the Company to support a precautionary approach to environmental challenges, to undertake initiatives to promote greater environmental responsibility and to encourage the development and diffusion of environmentally friendly technologies. The Company will comply with all environment protection legislation, as well as all relevant statutory and local government legislation and any licences, permissions and consents required under any legislation in all the jurisdictions in which it operates, including the Environment Protection Act 2002 (as amended) of Mauritius.

As part of the Company's Environmental Mission Statement, it recognises its obligations as a property owner to operate its business in an environmentally responsible way and aims to ensure that, not only does the Company comply with all applicable legal, regulatory and corporate requirements, but that its advisers, managing agents and contractors adopt stringent standards for the protection of the environment and the communities with whom the Company cooperates.

Corporate and Social Responsibility

The Company recognises its obligations towards all its stakeholders, including the local communities in which it operates. When working at our properties, we expect our advisers and contractors to prioritise the health and safety of

their workers and the public over all other considerations, as well as to carry out all appropriate safety and environmental monitoring. All our property development activities will be carried out in a manner which seeks to minimise the impact on the community and the environment generally, and we will seek to apply all relevant energy saving and noise reduction standards.

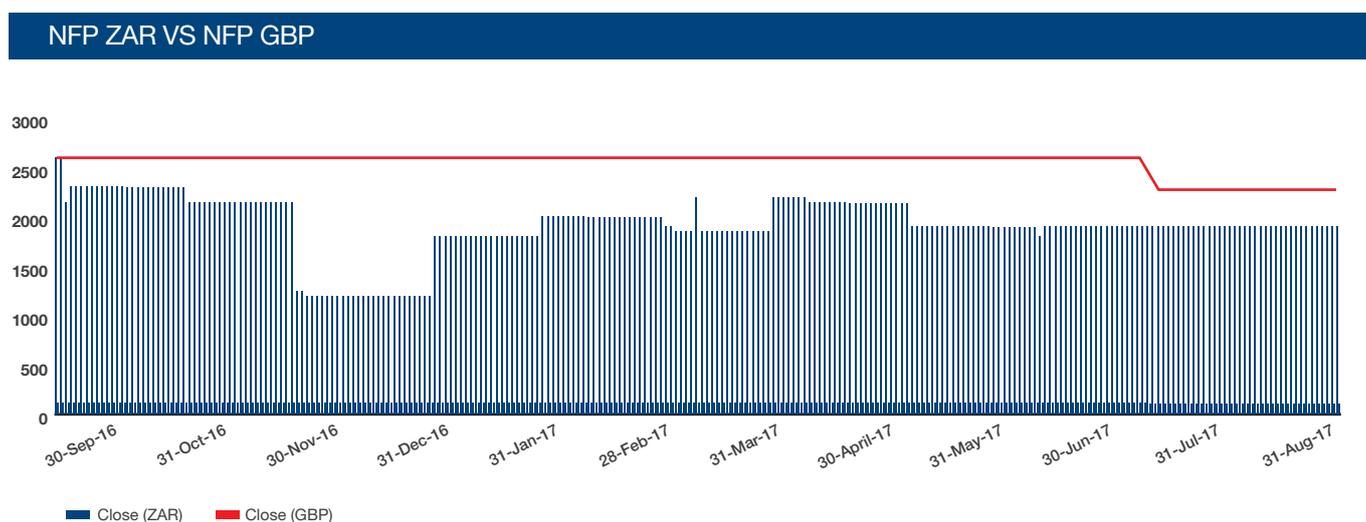
Gender Diversity Policy

The Company recognises the benefits of having a diverse Board and has implemented a Gender Diversity Policy to support this. The Company sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of differences in the skills, regional and industry experience, background, race, gender and other distinctions between directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Board currently comprises one female and eight males. The Board is satisfied that this meets its aim to ensure that at least 10% of the Board is made up of women by the end of 2018. However, the Company's future director appointments will be considered with due emphasis on the benefits of its gender diversity policy.

SHARE PRICE INFORMATION

The price of the Company's shares during the reporting period is set out below (in GBP and ZAR).



DIRECTORS' INDEMNITY AND INSURANCE

The Company indemnifies its directors in respect of their activities on behalf of the Company and procures appropriate directors and officers insurance cover.

DIRECTORS INTERESTS IN THE COMPANY'S SHARES

As at the date of this report, Sisa Ngebulana held indirectly 89 954 shares in the capital of the Company, representing 0.06% of the Company's stated capital. He indirectly acquired 43 043 shares in the capital of the Company in the financial year ended 31 August 2016 and the balance in the financial year ended 31 August 2015. No other director had an interest in the Company's shares. There have been no other changes in director shareholdings between 31 August 2017 and the approval of the annual financial statements.

The directors will follow the principles on the model code on securities transactions as set out in Appendix 6 of the SEM Listing Rules and the JSE Listings Requirements provisions on directors' dealings.

AUDITORS' FEES

The fees paid to the auditors, for audit and other services were:

	GROUP		COMPANY	
	Period from 1 September 2016 to 31 August 2017 GBP	Period from 1 September 2015 to 31 August 2016 GBP	Period from 1 September 2016 to 31 August 2017 GBP	Period from 1 September 2015 to 31 August 2016 GBP
Audit fees to:				
- BDO & Co	121 244	83 564	21 870	13 177
Fees for other services provided by:				
- BDO & Co	373 502	175 245	93 296	169 607

Other services relate to advisory services in relation to tax compliance fees, property transaction related tax fees, corporate finance fees and fees for review of quarterly abridged financial statements.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for:

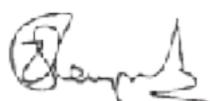
1. Adequate reporting records and maintenance of effective internal control systems.
2. The preparation of financial statements which fairly present the state of affairs of the Company as at the end of the financial period and the results of its operations and cash flows for that period and which comply with International Financial Reporting Standards ("IFRS").
3. The selection of appropriate accounting policies supported by reasonable and prudent judgements.

The external auditors are responsible for reporting on whether the financial statements are fairly presented.

The directors report that:

1. Adequate accounting records and an effective system of internal controls and risk management have been maintained.
2. Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently.
3. International Financial Reporting Standards have been adhered to.
4. The Code of Corporate Governance has been adhered to. Reasons have been provided where there has not been compliance.

Signed on behalf of the Board of Directors



Mr Tinesh Sharma Ramprasad

Director

15 October 2017



Mr Daniel William Desmond Romburgh

Director



SECTION 04

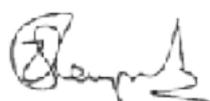
Annual Financial Statements

STATEMENT OF COMPLIANCE

DEAR SHAREHOLDER,

The Board of Directors of New Frontier Properties Ltd is pleased to present the annual report of the Company and of the Group for the year ended 31 August 2017, contents of which are listed below.

This report was approved by the Board of Directors on 15 October 2017.



**Mr Tinesh Sharma
Ramprasad**

Director



**Mr Daniel William Desmond
Romburgh**

Director

15 October 2017

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SECRETARY'S CERTIFICATE

We certify that, to the best of our knowledge and belief, the Company has filed with the Registrar of Companies all such returns as are required of the Company under the Companies Act 2001.



Osiris Corporate Solutions (Mauritius) Ltd

Company Secretary

15 October 2017

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

TO THE SHAREHOLDERS OF NEW FRONTIER PROPERTIES LTD

This report is made solely to the members of New Frontier Properties Ltd (the "Company"), as a body, in accordance with section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. 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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of New Frontier Properties Ltd and its subsidiaries (the Group) and the Company's separate financial statements on pages 45 to 80 which comprise the statements of financial position as at 31 August 2017, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements on pages 45 to 80 give a true and fair view of the financial position of the Group and of the Company as at 31 August 2017, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Companies Act 2001.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 and of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Mauritius, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

1. The Group – Investment properties

Key audit matter

As at 31 August 2017, the Group had investment properties amounting to GBP264.8 million. The significance of investment properties on the statement of financial position resulted in them being identified as a key audit matter. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at fair value as determined by independent qualified valuers. The valuations are done using an income capitalisation method.

Related disclosures

Refer to note 7 of the accompanying financial statements.

Audit response

We tested the key inputs to the valuation of the Group's investment properties through the following:

- Assessed the competence, independence and integrity of the external valuers.
- Determined the accuracy of data provided to the valuers.
- Obtained the external valuation reports and discussed with the external valuers about the valuation process and the results of their work. We have reviewed and assessed the basis of valuation and performed analysis work on the valuations by reference to external third-party valuation reports, industry market data as well as verifying a sample of inputs from rental income data. We discussed areas of judgements and assumptions applied to the valuation model, including rental yields, occupancy rates and level of capital expenditure required for refurbishment.

2. The Group – Revenue recognition

Key audit matter

The Group's revenue is mainly from rental income. Rental income is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises. Incentives for lessees to enter into lease agreements is recognised on a straight-line basis over the lease term even if payments are not made on such a basis. We focused on this area due to its significance on the statement of profit or loss and other comprehensive income and risk attached to the timing of revenue recognition.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS *continued*

2. The Group – Revenue recognition *continued*

Audit response

- We undertook detailed procedures to prove the completeness of the revenue based on occupation and lease agreements. Where there were significant movements between reporting periods, these were challenged and explanations together with corroborating evidence sought.
- We tested on a sample basis a number of tenant agreements to ensure that these agreed with the revenue recorded and that lease incentives were appropriately treated.
- Deferred income was audited on a test basis to ensure that cut-off was appropriately recorded and that there were no material omissions to such adjustments.

3. The Company – Investments in subsidiaries and loans receivable from related parties

Key audit matter

At 31 August 2017, investments in and loans from subsidiaries amounted to GBP115.4 million. Investments in subsidiaries are carried at cost, less impairment. Loans receivable from related parties are carried at fair value. The amounts are significant to the Company's financial statements and thus considered as key audit matter.

Related disclosures

Refer to notes 6 and 10 of the accompanying financial statements.

Audit response

- We assessed the impairment of the investments and loans with regard to underlying valued assets of the subsidiaries, being the property holding companies.
- We have assessed and discussed with management on the recoverability of the balances based on management's knowledge of future conditions that may impact expected receipts.
- Discussed, evaluated and concluded with management that possible cash streaming will be available from the related companies to repay these debts.

Other information

Directors are responsible for the other information. The other information comprises of the following reports (but does not include the financial statements and our auditor's report thereon) which we obtained prior to the date of this auditor's report:

- Corporate governance
- Risk management
- Statement of directors' responsibilities

Other information also comprise the reports listed below, which is expected to be made available to us after that date.

Key performance indicators and salient features

Business overview

- Vision, mission and values
- Corporate profile
- Portfolio overview
- Operational structure
- Governance structure
- Board of Directors

Strategic review

- External operating environment
- Strategy and business model
- Stakeholder engagement

Performance review

- Chairman's report
- Chief Executive Officer's report and portfolio review

Other information *continued***Governance, risk and compliance**

- Audit and Risk Committee report

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, 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.

When we read the other information, which will be made available to us after the date of our auditor's report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of directors and those charged with governance for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Companies Act, 2001, and for such internal control as the directors determine is necessary to enable the preparation of the 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 and 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 Group and the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.
- Conclude on the appropriateness of 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 Group's and 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 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 and the Company to express an opinion on the 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 those charged with governance 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 AUDITORS' REPORT *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

Auditor's responsibilities for the audit of the financial statements *continued*

We also provide those charged with governance 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Companies Act 2001

We have no relationship with, or interests in, the Company or any of its subsidiaries, other than in our capacity as auditors and dealings in the ordinary course of business.

We have obtained all information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Financial Reporting Act 2004

The directors are responsible for preparing the corporate governance report. Our responsibility is to report the extent of compliance with the Code of Corporate Governance as disclosed in the annual report and on whether the disclosure is consistent with the requirements of the Code.

In our opinion, the disclosure in the annual report is consistent with the requirements of the Code.



BDO & Co
Chartered Accountants

Port Louis, Mauritius

15 October 2017



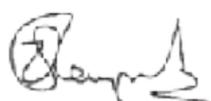
Rookaya Ghanty, FCCA
Licensed by FRC

STATEMENTS OF FINANCIAL POSITION

AT 31 AUGUST 2017

	Notes	THE GROUP		THE COMPANY	
		31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
ASSETS					
Non-current assets					
Property, plant and equipment	5	17	19	17	19
Investments in subsidiary companies	6	-	-	52 938	61 639
Investment property	7	264 800	272 588	-	-
		264 817	272 607	52 955	61 658
Current assets					
Trade and other receivables	9	6 091	5 846	4 891	3 417
Loan to related parties	10	-	-	62 525	59 239
Cash and cash equivalents	11	5 510	3 639	769	581
		11 601	9 485	68 185	63 237
Total assets		276 418	282 092	121 140	124 895
EQUITY					
Capital and reserves (attributable to owners of the parent)					
Share capital	12	39 412	124 412	39 412	124 412
Hedging reserve		(3 330)	(5 614)	-	-
Retained earnings/(Accumulated losses)		63 678	(10 051)	76 422	(274)
Owner's interest		99 760	108 747	115 834	124 138
LIABILITIES					
Non-current liabilities					
Borrowings	13	159 112	162 935	-	-
Derivative financial instruments	8	300	5 614	-	-
		159 412	168 549	-	-
Current liabilities					
Trade and other payables	15	5 508	4 719	1 268	757
Borrowings	13	11 738	-	4 038	-
Income tax payable		-	77	-	-
		17 246	4 796	5 306	757
Total liabilities		176 658	173 345	5 306	757
Total equity and liabilities		276 418	282 092	121 140	124 895

These financial statements have been approved for issue by the Board of Directors on 15 October 2017.



Mr Tinesh Sharma Ramprasad

Director



Mr Daniel William Desmond Romburgh

Director

The notes on pages 49 to 80 form an integral part of these financial statements.

Auditor's report on pages 41 to 44.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	THE GROUP		THE COMPANY	
		31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Revenue	2.8				
Rental income		19 279	20 663	-	-
Dividend income		-	-	13 050	11 300
Expenses					
Property operating expenses		(1 895)	(2 822)	-	-
Administrative expenses		(1 432)	(1 678)	(1 129)	(885)
Impairment of investment in subsidiaries		-	-	(8 701)	-
Acquisition related costs		-	(2 563)	-	-
Other income		99	43	27	-
Fair value loss on investment property	7	(10 046)	(8 745)	-	-
		6 005	4 898	3 247	10 415
Finance (costs)/income	16	(5 847)	(5 707)	(38)	88
Profit/(loss) before tax		158	(809)	3 209	10 503
Taxation	17	84	52	-	(10)
Profit/(loss) for the year		242	(757)	3 209	10 493
Other comprehensive income					
<i>Items that may be reclassified subsequently to profit or loss</i>					
Fair value gain/(loss) on derivative financial instruments		2 284	(5 614)	-	-
Other comprehensive income for the year		2 284	(5 614)	-	-
Total comprehensive income for the year		2 526	(6 371)	3 209	10 493
Earnings/(loss) per share					
Basic earnings/(loss) per share (GBP)	18	0.002	(0.005)	0.021	0.070
Headline earnings per share (GBP)	18	0.067	0.053	0.078	0.070

The notes on pages 49 to 80 form an integral part of these financial statements.

Auditor's report on pages 41 to 44.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Share capital GBP000	Hedging reserve GBP000	(Accumulated losses)/ Retained earnings GBP000	Total GBP000
THE GROUP					
Balance at 1 September 2016		124 412	(5 614)	(10 051)	108 747
Profit for the year		-	-	242	242
Other comprehensive income for the year		-	2 284	-	2 284
Total comprehensive income for the year		-	2 284	242	2 526
Capital reduction		(85 000)	-	85 000	-
Dividends	31	-	-	(11 611)	(11 611)
Waiver of dividends	31	-	-	98	98
Total transactions with owners of the parent		(85 000)	-	73 487	(11 513)
Balance at 31 August 2017		39 412	(3 330)	63 678	99 760
Balance at 1 September 2015		80 511	-	834	81 345
Loss for the year		-	-	(757)	(757)
Other comprehensive income for the year		-	(5 614)	-	(5 614)
Total comprehensive income for the year		-	(5 614)	(757)	(6 371)
Issue of shares		44 693	-	-	44 693
Issue costs		(792)	-	-	(792)
Dividends	31	-	-	(10 128)	(10 128)
Total transactions with owners of the parent		43 901	-	(10 128)	33 773
Balance at 31 August 2016		124 412	(5 614)	(10 051)	108 747
THE COMPANY					
Balance at 1 September 2016		124 412	-	(274)	124 138
Profit for the year		-	-	3 209	3 209
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	3 209	3 209
Capital reduction		(85 000)	-	85 000	-
Dividends	31	-	-	(11 611)	(11 611)
Waiver of dividends	31	-	-	98	98
Total transactions with owners of the parent		(85 000)	-	73 487	(11 513)
Balance at 31 August 2017		39 412	-	76 422	115 834
Balance at 1 September 2015		80 511	-	(639)	79 872
Profit for the year		-	-	10 493	10 493
Other comprehensive income for the year		-	-	-	-
Total comprehensive income for the year		-	-	10 493	10 493
Issue of shares		44 693	-	-	44 693
Issue costs		(792)	-	-	(792)
Dividends	31	-	-	(10 128)	(10 128)
Total transactions with owners of the parent		43 901	-	(10 128)	33 773
Balance at 31 August 2016		124 412	-	(274)	124 138

The notes on pages 49 to 80 form an integral part of these financial statements.
Auditor's report on pages 41 to 44.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	THE GROUP		THE COMPANY	
		31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Cash flows from operating activities					
Cash generated from operations	20(a)	16 375	11 617	10 987	7 814
Tax refunded/(paid)		217	(1 119)	-	(10)
Interest paid		(5 411)	(5 723)	-	-
Net cash generated from operating activities		11 181	4 775	10 987	7 804
Cash flows from investing activities					
Acquisitions of subsidiaries, net of cash and cash equivalents acquired	19(b)	-	(11 553)	-	-
Addition to investment property		-	(358)	-	-
Capital improvements to investment property		(2 258)	-	-	-
Acquisition of office equipment		-	(20)	-	(20)
Interest received		5	1	-	-
Loan advanced to related parties		-	-	(3 286)	(41 395)
Net cash used in investing activities		(2 253)	(11 930)	(3 286)	(41 415)
Cash flows from financing activities					
Repayments of borrowings		-	(27 827)	-	-
Proceeds from loans		7 500	500	4 000	-
Payment of borrowings cost		(14)	(637)	-	-
Proceeds from issue of share capital		-	44 693	-	44 693
Payments for share issuance costs		-	(792)	-	(792)
Premium paid to reset interest rate swap		(3 030)	-	-	-
Dividend payment		(11 513)	(10 128)	(11 513)	(10 128)
Net cash (used in)/generated from financing activities		(7 057)	5 809	(7 513)	33 773
Net increase/(decrease) in cash and cash equivalents for the year					
		1 871	(1 346)	188	162
Cash and cash equivalents at the beginning of the year		3 639	4 985	581	419
At 31 August	11	5 510	3 639	769	581

The notes on pages 49 to 80 form an integral part of these financial statements.
Auditor's report on pages 41 to 44.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1. GENERAL INFORMATION

The Company was incorporated in Mauritius on 5 June 2014 under the Mauritian Companies Act 2001 as a private company limited by shares and is domiciled in Mauritius. On the same day, the Company has, by a Special Resolution, converted itself into a public company. It holds a Category 1 Global Business Licence and is regulated by the Financial Services Commission. The address of its registered office is C/o Osiris Corporate Solutions (Mauritius) Ltd, 5th Floor, La Croisette, Grand Baie, Mauritius.

New Frontier Properties Ltd was established to carry out any business activities relating to real estate including but without limitation, investment development, operation leasing and management of real estate assets. The Company listed on the Stock Exchange of Mauritius (SEM) on 28 November 2014 and on the Alternative Exchange (“**AltX**”) of the JSE on 21 January 2015. During 2016, the Company converted its listing on the AltX from a secondary listing to a primary listing.

The Company entered into the UK-Real Estate Investment Trust (“**REIT**”) regime with effect from 21 October 2015. In this regard:

- the Company has transferred its management and control from Mauritius to the United Kingdom;
- the Company has made certain amendments to its Constitution; and
- certain changes have been made to the Board.

The consolidated financial statements include the separate financial statements of the holding company (the Company) and the consolidated financial statements of the holding company and its subsidiaries (the Group).

These financial statements will be submitted for consideration and approval at the forthcoming Annual Meeting of Shareholders of the Company.

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 the years presented unless otherwise stated.

2.1 Basis of preparation

The financial statements of New Frontier Properties Ltd comply with the Mauritian Companies Act 2001, the SEM Listing Rules, the JSE Listings Requirements and have been prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statements are presented to the nearest thousand and all values are in GBP000, except where otherwise stated.

The financial statements are prepared under the historical cost convention, except that investment property is carried at fair value and relevant financial assets and financial liabilities are stated at fair value.

2.1.1 Income and statement of cash flows

The Group has elected to present a single statement of profit or loss and other comprehensive income and presents its expenses by nature. The Group reports cash flows from operating activities using the indirect method. Interest received is presented within investing cash flows; interest paid is presented within operating cash flows. The acquisitions of investment properties are disclosed as cash flows from investing activities because this most appropriately reflects the Group’s business activities.

2.1.2 Standards, amendments to published standards and interpretations effective in the reporting period

IFRS 14 Regulatory Deferral Accounts provides relief for first-adopters of IFRS in relation to accounting for certain balances that arise from rate-regulated activities (“**regulatory deferral accounts**”). IFRS 14 permits these entities to apply their previous accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral accounts. The standard is not expected to have any impact on the Group’s financial statements.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11). The amendments clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. Existing interests in the joint operation are not remeasured on acquisition of an additional interest, provided that joint control is maintained. The amendments also apply when a joint operation is formed and an existing business is contributed. The amendment has no impact on the Group’s financial statements.

Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38). The amendments clarify that a revenue-based method of depreciation or amortisation is generally not appropriate. The amendments clarify that a revenue-based method should not be used to calculate the depreciation of items of property, plant and equipment. IAS 38 now includes a rebuttable presumption that the amortisation of intangible assets based on revenue is inappropriate. This presumption can be overcome under specific conditions. The amendment has no impact on the Group’s financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2.1 Basis of preparation *continued*

2.1.2 Standards, amendments to published standards and interpretations effective in the reporting period *continued*

Equity method in separate financial statements (Amendments to IAS 27). The amendments allow entities to use the equity method in their separate financial statements to measure investments in subsidiaries, joint ventures and associates. IAS 27 currently allows entities to measure their investments in subsidiaries, joint ventures and associates either at cost or at fair value in their separate financial statements. The amendments introduce the equity method as a third option. The election can be made independently for each category of investment (subsidiaries, joint ventures and associates). Entities wishing to change to the equity method must do so retrospectively. The amendment has no impact on the Group's financial statements.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41). IAS 41 now distinguishes between bearer plants and other biological assets. Bearer plants must be accounted for as property plant and equipment and measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. The amendment has no impact on the Group's financial statements.

Annual Improvements to IFRSs 2012–2014 cycle

- IFRS 5 is amended to clarify that when an asset (or disposal group) is reclassified from “**held for sale**” to “**held for distribution**” or *vice versa*, this does not constitute a change to a plan of sale or distribution and does not have to be accounted for as such. The amendment has no impact on the Group's financial statements.
- IFRS 7 amendment provides specific guidance for transferred financial assets to help management determine whether the terms of a servicing arrangement constitute “**continuing involvement**” and, therefore, whether the asset qualifies for derecognition. The amendment has no impact on the Group's financial statements.
- IFRS 7 is amended to clarify that the additional disclosures relating to the offsetting of financial assets and financial liabilities only need to be included in interim reports if required by IAS 34. The amendment has no impact on the Group's financial statements.
- IAS 19 amendment clarifies that when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important and not the country where they arise. The amendment has no impact on the Group's financial statements.
- IAS 34 amendment clarifies what is meant by the reference in the standard to “**information disclosed elsewhere in the interim financial report**” and adds a requirement to cross-reference from the interim financial statements to the location of that information. The amendment has no impact on the Group's financial statements.

Disclosure Initiative (Amendments to IAS 1). The amendments to IAS 1 provide clarifications on a number of issues. An entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance. Line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals and confirmation that the notes do not need to be presented in a particular order. The share of OCI arising from equity-accounted investments is grouped based on whether the items will or will not subsequently be reclassified to profit or loss. Each group should then be presented as a single line item in the statement of other comprehensive income.

Investment entities: Applying the consolidation exception (Amendments to IFRS 10, IFRS 12 and IAS 28). The amendments clarify that the exception from preparing consolidated financial statements is also available to intermediate parent entities which are subsidiaries of investment entities. An investment entity should consolidate a subsidiary which is not an investment entity and whose main purpose and activity is to provide services in support of the investment entity's investment activities. Entities which are not investment entities but have an interest in an associate or joint venture which is an investment entity have a policy choice when applying the equity method of accounting. The fair value measurement applied by the investment entity associate or joint venture can either be retained, or a consolidation may be performed at the level of the associate or joint venture, which would then unwind the fair value measurement. The amendment has no impact on the Group's financial statements.

2.1.3 Standards, amendments to published standards and interpretations issued but not yet effective

Certain standards, amendments to published standards and interpretations have been issued that are mandatory for accounting periods beginning on or after 1 January 2017 or later periods, but which the Group has not early adopted.

At the reporting date of these financial statements, the following were in issue but not yet effective:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contract with Customers
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2.1 Basis of preparation *continued*

2.1.3 Standards, amendments to published standards and interpretations issued but not yet effective *continued*

- IFRS 16 Leases
- Recognition of Deferred Tax Assets for Unrealised Losses (Amendments to IAS 12)
- Amendments to IAS 7 Statement of Cash Flows
- Clarifications to IFRS 15 Revenue from Contracts with Customers
- Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
- Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts (Amendments to IFRS 4)
- Annual Improvements to IFRSs 2014–2016 Cycle
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- Transfers of Investment Property (Amendments to IAS 40)
- IFRS 17 Insurance Contracts
- IFRIC 23 Uncertainty over Income Tax Treatments

Where relevant, the Group is still evaluating the effect of these standards, amendments to published standards and interpretations issued but not yet effective, on the presentation of its financial statements.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Depreciation is calculated on the straight-line method to write off the cost of the assets to their residual values over the estimated useful lives, as follows :

- Office equipment: 10 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, at the end of each reporting period.

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property, plant and equipment are determined by comparing proceeds with carrying amount and are included in profit or loss.

2.3 Investments in subsidiaries

Separate financial statements of the investor

In the separate financial statements of the investor, investments in subsidiary companies are carried at cost. The carrying amount is reduced to recognise any impairment in the value of individual investments.

2.4 Consolidation

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree, if any, over the fair value of the identifiable net assets acquired is recorded as goodwill. If this is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2.4 Consolidation *continued*

(a) Subsidiaries *continued*

For acquisitions of subsidiaries not meeting the definition of a business, the Group allocates the cost between the individual identifiable assets and liabilities in the Group based on their relative fair values at the date of acquisition. Such transactions or events do not give rise to goodwill.

All the companies in the group have 31 August as their year-end. Consolidated financial statements are prepared using uniform accounting policies. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated.

(b) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.5 Foreign currency

(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 Great Britain Pound ("GBP"), which is the Group's functional and presentation currency.

(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 profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented net in the income statement within finance costs and finance income respectively.

(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 statement of financial position presented are translated at the closing rate at the date of that statement of financial position.
- (ii) Income and expenses for each statement representing profit or loss and other comprehensive income are translated at average exchange rates.
- (iii) All resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on sale. 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 closing rate.

2.6 Investment property

Property that is held for rental income or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Land held under operating leases is classified and accounted for by the Group as investment property when the rest of the definition of investment property is met.

Investment property is measured initially at cost, including transaction costs. Transaction costs include transfer taxes and professional fees to bring the property to the condition necessary for it to be capable of operating.

The carrying amount also includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2.6 Investment property *continued*

Subsequent to initial recognition, investment properties are carried at fair value based on professional valuation at each reporting date. These valuations form the basis for the carrying amounts in the consolidated financial statements.

Changes in fair values are recognised in profit or loss in the period in which they arise. Investment properties are derecognised when they have been disposed of.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

2.7 Leases

(a) Accounting for leases – where the Group is the lessee

(i) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor, are classified as operating leases. Payments, including pre-payments, made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease. Properties leased out under operating leases are included in investment properties. See note 2.6 for the accounting policy relating to land held on an operating lease and used as investment property.

(b) Accounting for leases – where the Group is the lessor

Properties leased out under operating leases are included in investment property in the consolidated statement of financial position (note 7). See note 2.8 for the recognition of rental income.

2.8 Revenue recognition

Rental income receivable under operating leases is recognised on a straight-line basis over the term of the lease, except for contingent rental income which is recognised when it arises.

Incentives for lessees to enter into lease agreements are spread evenly over the lease term, even if the payments are not made on such a basis. The lease term is the non-cancellable period of the lease together with any further term for which the tenant has the option to continue the lease where, at the inception of the lease, the directors are reasonably certain that the tenant will exercise that option.

When an incentive is given to a tenant, the carrying value of the investment property excludes any amount reported as a separate asset as a result of recognising rental income on this basis.

Dividend income is recognised when the right to receive income is established.

Service and management charges are recognised in the accounting period in which the services are rendered.

Other revenues earned by the Group are recognised on the following basis:

- Interest income – on a time proportion basis using the effective interest method.

2.9 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group has become a party to the contractual provisions of the instruments.

(a) Financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Group transfers substantially all risks and rewards of ownership.

The Group's financial assets consist of derivative financial instruments and loans and receivables.

Financial assets recognised on the consolidated statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment. A provision for impairment is made when there is objective evidence that the Group will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2.9 Financial instruments *continued*

(a) Financial assets *continued*

The Group uses interest rate swaps to hedge its risks associated with interest rates. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value at each reporting date. The movement in fair value between reporting periods is included in other comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Cash and cash equivalents are also classified as loans and receivables. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

Loans to related parties are classified as loans and receivables and are recognised at fair value.

(b) Impairment of financial assets

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and, the amount of the loss is recognised in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If, in a subsequent year, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the receivable at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(c) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost.

2.10 Share capital

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.

2.11 Tenant deposits

The Company's subsidiaries obtain deposits from tenants as a guarantee for returning the property at the end of the lease term in a specified good condition. Such deposits are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

2.12 Taxation

The Company was subject to income tax in Mauritius at 15%. The Company was, however, entitled to a tax credit equivalent to the higher of actual foreign tax suffered and 80% of Mauritius tax payable in respect of its foreign source income thus reducing its maximum effective tax rate to 3%. There is no capital gains tax in Mauritius.

Effective 21 October 2015, the Company has ceased to be tax resident in Mauritius. It has entered into the UK Real Estate Investment Trust (REIT) and transferred its tax residency to the UK. The Company benefits from exemption from corporation tax on qualifying rental income and on the gains on disposal of UK investment properties.

Dividend payments comprises of two components: a Property Income Distribution (PID) from the REIT qualifying activities and a dividend distribution from the non-qualifying activities (non-PID). The aggregate of these two components are referred to as our total dividend. For most shareholders, PIDs will be paid after deducting withholding tax at the current basic rate of 20%.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2.12 **Taxation** *continued*

In respect of the Company's subsidiaries based in Guernsey, taxation is provided on taxable profits at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the reporting date.

2.13 **Deferred taxation**

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill; and
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither the accounting or taxable profit.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of deferred tax asset or liability is determined using tax rates that have been enacted or substantially enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax arising as a consequence of investment property carried at fair value is calculated on the presumption that the property will be recovered through a sale of the property in line with the Group's business model. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embedded in the investment property over time rather than through sale.

2.14 **Impairment of non-financial assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

2.15 **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle the obligation.

The amount recognised as provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation when a provision is measured using the cash flows estimated to settle the present obligation (where the effect of the time value of money is material).

2.16 **Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the financial statements in the period in which the dividends are declared.

2.17 **Segment reporting**

Segment information presented relate to operating segments that engage in business activities for which revenues are earned and expenses incurred. A segment is a distinguishable component of the Group that is engaged in providing services (business segment) or in providing services within a particular economic environment (geographic segment) which is subject to risks that are different from those of other segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (directors).

2.18 **Earnings per share and headline earnings per share**

Basic earnings or loss per share is calculated by dividing the profit or loss by the weighted average number of ordinary shares in issue during the year.

Headline earnings or loss per share is calculated by dividing headline profit or loss by the weighted average number of ordinary shares in issue during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *continued*

2.19 Hedge accounting

Hedge accounting is applied to financial assets and financial liabilities only where all of the following criteria are met:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge.
- For cash flow hedges, the hedged item in a forecast transaction is highly probable and presents an exposure to variation in cash flows that could ultimately affect profit or loss.
- The cumulative change in the fair value of the hedging instrument is expected to be between 80 and 125% of the cumulative change in the fair value or cash flows of the hedged item attributable to the risk hedged (i.e. it is expected to be highly effective).
- The effectiveness of the hedge can be reliably measured.
- The hedge remains highly effective on each date tested. Effectiveness is tested quarterly.

2.20 Cash flow hedges

The effective part of interest rate swaps designated as a hedge of the variability in cash flows of interest rate risk arising from bank loans, are measured at fair value with changes in fair value recognised in other comprehensive income and accumulated in the cash flow hedge reserve. The Group uses such derivatives to fix the interest rate on bank loans.

If a highly probable forecast transaction results in the recognition of a non-monetary asset, the cumulative loss/(gain) is added to/(subtracted from) the cost of the asset acquired ("**basis adjustment**"). Otherwise the cumulative gain or loss in the other comprehensive income is reclassified from the cash flow hedge reserve to profit or loss at the same time as the hedged transaction affects profit or loss. The two transactions are recognised in the same line item.

3. FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

Financial risks are risks arising from financial instruments to which the Group is exposed during or at the end of the reporting period. Financial risk comprises market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The primary objectives of the financial risk management function are to establish risk limits, and then ensure that exposure to risks stays within these limits.

The Board of Directors has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, they have delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's management.

The Group's overall risk management programme seeks to maximise the returns derived from the level of risk to which the Group is exposed and seeks to minimise potential adverse effects on the Group's financial performance.

There have been no changes to the Group's approach to risk management during the year.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Group's market risks arise from open positions in (a) foreign currencies and (b) interest-bearing assets and liabilities, to the extent that these are exposed to general and specific market movements.

(i) Foreign currency risk

The Group has minimal exposure to foreign currency risk as it has no significant financial assets and financial liabilities denominated in currencies other than GBP.

(ii) Price risk

The Group has no significant exposure to price risk as it does not hold any equity securities or commodities.

(iii) Property rental risk

Property rental risk relates to the ability of existing tenants to pay their rent and the ability to attract new quality tenants where required.

The Group has significant expertise in the real estate business and have appointed an asset manager to manage the business and mitigate any potential risk. Management believes that the property rental risk is considered to be a low risk for the Group.

3. FINANCIAL RISK MANAGEMENT *continued*

3.1 Financial risk factors *continued*

(a) Market risk *continued*

(iv) Cash flow and fair value interest rate risk

As the Group's interest-bearing assets do not generate significant amounts of interest, changes in market interest rates do not have any significant direct effect on the Group's income. Management believes that the Group has a low risk that changes in market interest rates would have a significant impact on interest income.

The Group is exposed to cash flow interest rate risk by virtue of borrowings from banks at variable rates of interest.

The Group's interest rate risk is monitored by the Group's management on a periodic basis. The Group borrows at fixed and floating rates of interest and uses financial instruments to fix the floating rates of interest in accordance with its hedging policy. Trade receivables and payables (other than tenant deposits) are interest-free and have settlement dates within one year.

The Group does not speculate in financial instruments which are only used to limit the Group's exposure to interest rate fluctuations. The Group's policy is to hedge between 50% and 100% of its interest rate exposure. At 31 August 2017, 85.6% (2016: 87.4%) of the Group's debt was hedged using interest rate swaps for the term of the loan.

The variable rate loan is protected by an interest rate swap which is carried at fair value. It has been identified as Level 2 in the fair value hierarchy. Level 2 is defined as inputs other than quoted prices included in Level 1 that are observable for the liability either directly (i.e. as prices) or indirectly (as derived from prices).

The average effective interest rates of financial instruments at the date of the statement of financial position, based on reports reviewed by key management personnel, were as follows:

- Cash and cash equivalents - 0.31%/0.32% (2016: 0%)
- Bank borrowings - 3.13%/3.51% (2016: 3.13%/3.36%)
- Shareholder convertible loan - Prime rate South Africa + 200 basis point (2016: Nil)

At 31 August 2017, if interest rates on GBP denominated borrowings had been 1% higher/lower with all other variables held constant, post-tax loss for the year would have been GBP245 068 (2016: GBP200 100) lower/higher for the Group and GBP3 068 (2016: Nil) for the Company, mainly as a result of higher/lower interest expense on floating rate borrowings.

(b) Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. The Group has no significant concentrations of credit risk. Credit risk arises from cash and cash equivalents held at banks and trade receivables which include rentals receivable from lessees. Credit risk is managed on a Group basis.

The Group has policies in place to ensure that rental contracts are entered into only with lessees with an appropriate credit history, but the Group does monitor the credit quality of receivables on an ongoing basis. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The Group does not have any tenants which provide in excess of 10% of the Group's rental income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

3. FINANCIAL RISK MANAGEMENT *continued*

3.1 Financial risk factors *continued*

(b) Credit risk *continued*

The maximum exposure to credit risk is the carrying amount of the financial assets as set out below.

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Trade receivables, net of provision for impairment (note 9):				
- Rent receivable from lessees	844	600	-	-
- Other receivables	4 466	5 136	4 864	3 409
	5 310	5 736	4 864	3 409
Loan to related parties	-	-	62 525	59 239
Cash and cash equivalents (note 11)	5 510	3 639	769	581
	10 820	9 375	68 158	63 229

Deposits refundable to tenants may be withheld by the Group in part or in whole if receivables due from the tenant are not settled or in case of other breaches of contract.

The fair value of financial assets and financial liabilities at 31 August 2017 and 2016 approximates their carrying value.

Management does not foresee any losses to arise from non-performance by the related parties in respect of the loans advanced to them by the Company.

The maximum exposure to credit risk before any credit enhancements at 31 August 2017 is the carrying amount of the financial assets as set out in the statement of financial position.

(c) Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

Prudent liquidity risk management implies maintaining sufficient cash, 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, the Board of Directors aims to maintain flexibility in funding by keeping committed credit lines available.

The Group had undrawn committed borrowing facilities available at 31 August 2017 of GBP1.5 million (2016: GBP1.5 million).

The Group's liquidity position is monitored by the Board of Directors. A summary table with maturity of financial assets and liabilities presented below is used by key management personnel to manage liquidity risks and is derived from managerial reports at Company level. The amounts disclosed in the tables below are the contractual undiscounted cash flows. Undiscounted cash flows in respect of balances due within 12 months generally equal their carrying amounts in the statement of financial position, as the impact of discounting is not significant.

3. FINANCIAL RISK MANAGEMENT *continued*

3.1 Financial risk factors *continued*

(c) Liquidity risk *continued*

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
The maturity analysis of financial instruments is as follows:				
Cash and cash equivalents				
- Demand and less than one month	5 510	3 639	769	581
Trade receivables				
- Demand and less than one month	844	600	-	-
Shareholder convertible loan				
- Repayable when the Company undertakes the vendor placement, failing which six months from the advance date	4 038	-	4 038	-
Bank borrowings				
- Within one year	13 198	4 330	-	-
- One to two years	5 498	5 498	-	-
- Two to three years	162 667	5 498	-	-
- Three to four years	-	166 490	-	-
	181 363	181 816	-	-
Trade payables and accruals				
- Demand and less than one month	3 449	4 719	1 263	757

The contractual undiscounted cash flows related to bank borrowings have an element of variable rates as well as fixed interest rates, the amount disclosed is determined by reference to the conditions existing at the last interest payment dates which were 20 July 2017 for the HSBC Bank plc loan and 1 August 2017 for the Deutsche Pfandbriefbank AG loan.

The directors would like to highlight that at 31 August 2017, the current liabilities exceeds the current assets by GBP5 645 000 for the Group. The Group will re-negotiate the terms of repayment of short-term borrowing facilities into medium- to long-term borrowings as and when the need arises.

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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 Group uses long-term borrowings, cash and equity to achieve this.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Board reviews the Group's capital structure, cost of capital and gearing levels.

3.3 Operational risk

Operational risk is the risk of loss arising from system failure, human error, fraud or external events. When controls fail to perform, operational risk can cause damage to reputation, have legal or regulatory implications or can lead to financial loss. The Company's subsidiaries cannot expect to eliminate all operational risks, but by initiating an effective control framework and by monitoring and responding to potential risks, the Company's subsidiaries are able to manage risks.

The Company's subsidiaries contract with various service providers and professional organisations. As a result, the Company's subsidiaries have no employees of their own. The financial statements reflect the costs of the various service providers.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

3. FINANCIAL RISK MANAGEMENT *continued*

3.4 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily quoted equity investments classified as trading securities or available-for-sale.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

Investment property is carried at fair value which is categorised as level 3. Specific valuation techniques used to value the investment property have been disclosed in note 7.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Judgements

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Investment property

The Group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The Group engaged independent valuation specialists to determine fair value. The property was valued on the basis of market value in accordance with the internationally accepted Royal Institution of Chartered Surveyors ("RICS") Valuation - Professional Standards January 2014 (incorporating the International Valuation Standards).

The key assumptions used to determine the fair value of the investment properties are further explained in note 7.

(b) Acquisitions

Properties can be acquired through the corporate acquisition of a subsidiary company. At the time of acquisition, the Group considers whether the acquisition represents the acquisition of a business or simply a group of assets and liabilities. The Group accounts for the acquisition as a business combination where an integrated set of activities acquired in addition to the property. More specifically, consideration is made of the extent to which significant processes are acquired and the extent of ancillary services provided by the subsidiary.

When the acquisition of a subsidiary does not represent a business, it accounts for it as an acquisition of a group of assets and liabilities. The costs of acquisition are allocated to the assets and liabilities acquired based on their relative fair value and no goodwill or deferred tax is recognised.

(c) Operating lease commitments - Company as lessor

The Group has entered into commercial property leases on its investment property. The Group has determined, based on evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a substantial portion of the economic life of the commercial property, that it retains all of the significant risks and rewards of ownership of the property and accounts for contracts as operating leases.

(d) Impairment of investments in subsidiaries

The Company follows the guidance of IAS 39 on determining when an investment is other than temporarily impaired. This determination requires significant judgement. In making this judgement, the Company evaluates among other factors, the duration and extent to which the fair value of the investment is less than its cost and financial health of and near-term business outlook for the investee including factors such as the value of the underlying investment properties, performance and operational and financing cash flows.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES *continued*

4.1 Judgements *continued*

(e) Deferred tax on investment properties

For the purpose of measuring deferred tax liabilities or deferred tax assets arising from investment properties, the directors reviewed the Group's investment property portfolio and concluded the Group's investment properties will be recovered through sale rather than being held within a business model whose objective is to consume substantially all of the economic benefits embodied in the properties over time.

(f) Limitation of sensitivity analysis

Sensitivity analysis in respect of market risk demonstrates the effect of a change in a key assumption while other assumptions remain unchanged. In reality, there is a correlation between the assumptions and other factors. It should also be noted that these sensitivities are non-linear and larger or smaller impacts should not be interpolated or extrapolated from these results.

Sensitivity analysis does not take into consideration that the Group's assets and liabilities are managed. Other limitations include the use of hypothetical market movements to demonstrate potential risk that only represent the Group's view of possible near-term market changes that cannot be predicted with any certainty.

5. PROPERTY, PLANT AND EQUIPMENT

	THE GROUP AND THE COMPANY GBP000
2017	
Cost	
At 1 September 2016 and 31 August 2017	20
Accumulated depreciation	
At 1 September 2016	1
Charge for the year	2
As at 31 August 2017	3
Net book value	
As at 31 August 2017	17
2016	
Cost	
At 1 September 2015	-
Additions	20
As at 31 August 2016	20
Accumulated depreciation	
At 1 September 2015	-
Charge for the year	1
As at 31 August 2016	1
Net book value	
As at 31 August 2016	19

Property, plant and equipment ("PPE") consists of office equipment which was initially recognised at the cost of GBP20 401. The Company has elected to use the cost model whereby the asset is carried at cost less accumulated depreciation and impairment.

The depreciable amount (cost less residual value) has been allocated on a systematic basis over the asset's useful life, which has been estimated at 10 years.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

6. INVESTMENTS IN SUBSIDIARY COMPANIES

	THE COMPANY GBP000
At 1 September 2016	61 639
Impairment	(8 701)
At 31 August 2017	52 938
At 1 September 2015	9
Additions	61 630
At 31 August 2016	61 639

Impairment losses of GBP8.7 million have been accounted for during the financial year and are attributable to the continuous decline in value of the investment properties held by the subsidiaries.

(a) **The Company's subsidiaries are:**

	Year-end	Stated capital GBP	Currency	PROPORTION OF OWNERSHIP INTEREST		Place of business	Country of incorporation	Main business
				Direct %	Indirect %			
(i) At 31 August 2017								
New Frontier Guernsey 1 Ltd.	31 08 2017	39 736 100	GBP	100	-	Guernsey	Guernsey	Investment holding
New Frontier Luxembourg Limited ⁽²⁾	31 08 2017	21 902 789	GBP	100	-	Guernsey	Guernsey	Investment holding
BCC Eiffel Limited ⁽¹⁾	31 08 2017	13 936 337	GBP	-	100	Guernsey	Guernsey	Property holding
Middlesbrough Holdings Limited	31 08 2017	7 961 000	GBP	-	100	Guernsey	Guernsey	Investment holding
Burton Investments Limited	31 08 2017	7 549 002	GBP	-	100	Guernsey	Guernsey	Investment holding
Middlesbrough Shopping Centre Limited	31 08 2017	8 210 000	GBP	-	100	United Kingdom	Guernsey	Property holding
Burton Shopping Centre Limited	31 08 2017	7 520 002	GBP	-	100	United Kingdom	Guernsey	Property holding
New Frontier Europe Limited ^{(3)*}	31 08 2017	100	GBP	100	-	Guernsey	Guernsey	Investment holding
NF Netherlands Holdco B.V. ^{(4)*}	31 08 2018	86	GBP	100	-	Netherlands	Netherlands	Investment holding
NFE FinCo Limited ^{(5)*}	31 08 2018	100	GBP	100	-	Guernsey	Guernsey	Investment holding
NF Austria Hold Co Limited ^{(6)*}	31 08 2018	100	GBP	-	100	Guernsey	Guernsey	Investment holding
NF SD Investments GP Immobilien GmbH ^{(7)*}	31 08 2018	5 000	EUR	-	100	Austria	Austria	Investment holding
NF SD Property Immobilien GmbH & CoKG ^{(8)*}	31 08 2018	35	EUR	-	100	Austria	Austria	Property holding
NF Prop Co s.r.o. ^{(9)*}	31 08 2018	5 000	EUR	-	100	Slovakia	Slovakia	Property holding
NF Germany Hold Co Limited ^{(10)*}	31 08 2018	100	GBP	-	100	Germany	Guernsey	Investment holding
NF Hassfurt Investments Limited ^{(11)*}	31 08 2018	100	GBP	-	100	Germany	Guernsey	Property holding
NF Guernsey II Limited ^{(12)*}	31 08 2018	100	GBP	100	-	Guernsey	Guernsey	Property holding

6. INVESTMENTS IN SUBSIDIARY COMPANIES *continued*

	Year-end	Stated capital	Currency	PROPORTION OF OWNERSHIP INTEREST		Place of business	Country of incorporation	Main business
				Direct	Indirect			
		GBP		%	%			
(ii) At 31 August 2016								
New Frontier Guernsey 1 Ltd.	31 08 2016	39 736 100	GBP	100	-	Guernsey	Guernsey	Investment holding
New Frontier Luxembourg Limited ⁽²⁾	31 08 2016	21 902 789	GBP	100	-	Guernsey	Guernsey	Investment holding
BCC Eiffel Limited ⁽¹⁾	31 08 2016	13 936 337	GBP	-	100	Guernsey	Guernsey	Property holding
Middlesbrough Holdings Limited	31 08 2016	7 961 000	GBP	-	100	Guernsey	Guernsey	Investment holding
Burton Investments Limited	31 08 2016	7 549 002	GBP	-	100	Guernsey	Guernsey	Investment holding
Middlesbrough Shopping Centre Limited	31 08 2016	8 210 000	GBP	-	100	United Kingdom	Guernsey	Property holding
Burton Shopping Centre Limited	31 08 2016	7 520 002	GBP	-	100	United Kingdom	Guernsey	Property holding

All classes of shares held are ordinary.

* Management accounts as at 31 August 2017 have been used for consolidation.

- (1) On 23 September 2015, New Frontier Luxembourg Limited acquired BCC Eiffel Limited.
- (2) On 11 August 2015, New Frontier Luxembourg Limited was incorporated in Luxembourg under R.C.S Luxembourg number 199.624. On 8 April 2016, it migrated to Guernsey and changed its name to New Frontier Luxembourg Limited and its registration number is 61887. The Company subscribed for the entire share capital.
- (3) On 11 November 2016, New Frontier Europe Limited was incorporated in Guernsey and the Company subscribed for the entire share capital.
- (4) On 6 April 2017, NF Netherlands Holdco B.V. was incorporated in the Netherlands and the Company subscribed for the entire share capital.
- (5) On 9 February 2017, NFE FinCo Limited was incorporated in Guernsey and the Company subscribed for the entire share capital.
- (6) On 17 February 2017, NF Austria Hold Co Limited was incorporated in Guernsey and New Frontier Europe Limited subscribed for the entire share capital.
- (7) On 21 April 2017, NF SD Investments GP Immobilien GmbH was incorporated in Austria and NF Austria Hold Co Limited subscribed for the entire share capital.
- (8) On 21 April 2017, NF SD Property Immobilien GmbH & CoKG was incorporated in Austria and NF Austria Hold Co Limited subscribed for the entire share capital.
- (9) On 26 April 2017, NF Prop Co s.r.o. was incorporated in Slovakia and NF Netherlands Holdco B.V. subscribed for the entire share capital.
- (10) On 9 August 2017, NF Germany Hold Co Limited was incorporated in Guernsey and New Frontier Europe Limited subscribed for the entire share capital.
- (11) On 9 August 2017, NF Hassfurt Investments Limited was incorporated in Guernsey and NF Germany Hold Co Limited subscribed for the entire share capital.
- (12) On 10 August 2017, New Frontier Guernsey II Limited was incorporated in Guernsey and the Company subscribed for the entire share capital.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

7. INVESTMENT PROPERTY

	THE GROUP
	GBP000
(a) Fair value model	
At 1 September 2016	272 588
Capital improvement during the year	2 258
Fair value loss on revaluation of investment property	(10 046)
Carrying value at 31 August 2017	264 800
Tenant incentives within receivables	1 200
Fair value at 31 August 2017	266 000
At 1 September 2015	180 225
Acquisitions through business combinations (note 19(a))	100 750
Additions	358
Fair value loss on revaluation of investment property	(8 745)
Carrying value at 31 August 2016	272 588
Tenant incentives within receivables	262
Fair value at 31 August 2016	272 850

At the end of the period, the fair value of the Group's investment properties has been arrived at on the basis of market valuations carried out by Colliers International Valuation UK LLP, external valuers to the Group.

In accordance with the Group's accounting policies, incentives to enter into lease agreements are spread evenly over the term of the lease. The balance of these incentives at 31 August 2017 and 2016 is included in trade receivables in the consolidated statement of financial position and an amount equivalent to this is set against the fair value of the Group's investment properties.

(b) Valuation process

Colliers International Valuation UK LLP undertook their valuations in accordance with the RICS Valuation - Professional Standards, the 2014 Edition (the "Red Book"). This is an internationally accepted basis of valuation. The properties have been valued by Russell Francis BSc (Hons) MRICS.

A fair value hierarchy of three is attributed to the investment property as there are a significant number of unobservable inputs used to determine the fair value of the property. The Group's policy is to recognise transfers into and out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. Changes in levels are analysed at each reporting date by the Board of Directors.

(c) Valuation technique

The fair value of the completed investment property is determined using an income capitalisation method. Under this valuation method, the property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate. The difference between the gross and net rental income includes operating expenses and taking into account vacancy allowances and replacement reserve. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers knowledge of the factors specific to the respective properties.

7. INVESTMENT PROPERTY *continued*

		THE GROUP	
		31 August 2017 GBP	31 August 2016 GBP
(c)	Valuation technique <i>continued</i>		
	The valuation has used a discounted cash flow technique using rents observed for nearby properties and those negotiated for the properties. These gave:		
	Recorded input		
	Rental value per square foot per year		
	Burton Shopping Centre	16.00	15.65
	Middlesbrough Shopping Centre	13.43	13.66
	Blackpool Shopping Centre	20.74	20.88
	Market valuation rate adopted	16.33	16.34
	Purchaser's costs (%)	4	4
		31 August 2017 %	31 August 2016 %
	Equivalent yield		
	Burton Shopping Centre	6.01	5.92
	Middlesbrough Shopping Centre	7.26	6.77
	Blackpool Shopping Centre	6.00	6.07
	Market valuation rate adopted	6.35	6.22
		31 August 2017 GBP000	31 August 2016 GBP000
(d)	The following amounts have been recognised in profit or loss:		
	Rental income	19 279	20 663
	Direct operating expenses arising from investment properties that generated rental income	2 776	1 588

(e) **Sensitivity to changes in significant unobservable inputs**

A significant change in the nominal yield in isolation would result in a significant change in valuation of the investment properties. A decrease in yield of 50 basis points would result in an increase in total market value to GBP289 million (2016: GBP298 million) and a 50 basis point decrease would result in a total market value of GBP246 million (2016: GBP252 million).

(f) Bank borrowings of GBP108.2 million (2016: GBP104.7 million) from HSBC Bank plc and GBP59.7 million (2016: GBP59.7 million) from Deutsche Pfandbriefbank AG are secured on the investment property portfolio (note 13).

(g) **Geographical profile, by rentable area and by revenue**

The rentable area and revenue by individual shopping centre is tabled below:

	GLA SQ FT		GROSS RENT	
	2017 %	2016 %	2017 %	2016 %
The Cleveland Centre	36.89	35.80	30.82	34.58
Houndshill Shopping Centre	27.08	27.54	36.54	34.67
Coopers Square	36.04	36.66	32.64	30.75
	100.00	100.00	100.00	100.00

(h) **Sectoral profile**

Shopping Centres are a part of the retail sector, thus the Company's portfolio is 100% exposed to retail sector. Although there is a small element of office income provided by centres management offices which is insignificant and should be classified as an ancillary income from within.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

7. INVESTMENT PROPERTY *continued*

(i) Tenant profile

The Company's tenant profile, based on existing leases, are graded as follows:

- Class A: National Multiple Retailers, Listed Companies
- Class B: Regional Multiples smaller retailers
- Class C: Local traders, independent retailers, small local companies

The tenant's profile, excluding car park, mall and vacant units is tabled below:

	BY LETTING AREA		BY RENTAL INCOME	
	2017 %	2016 %	2017 %	2016 %
Class A	93.50	86.56	92.74	91.35
Class B*	3.98	0.00	5.13	0.00
Class C	2.51	13.44	2.13	8.65
	100.00	100.00	100.00	100.00

*Please note, we have grouped regional multiple and individual retailers in category C in year 2016

(j) Vacancy profile

The Company's portfolio is 100% retail. There are 8.07% (2016: 7.8%) vacant space by gross lettable area across the portfolio.

(k) Lease expiry profile

(i) The lease expiry profile, based on existing leases, by revenue and by rentable area per sector, is shown below:

	Gross rental %	Cumulative %
Expiry profile by rent		
Mall	1.82	1.82
Parking	7.11	8.93
< 1 yr*	21.94	30.87
2018	8.44	39.31
2019	9.66	48.97
2020	7.25	56.22
2021	12.86	69.08
2022	6.35	75.43
>2023	24.57	100.00
	GLA %	Cumulative %
Expiry profile by letting area		
Vacant	8.07	8.07
< 1 yr*	17.07	25.14
2018	6.71	31.85
2019	6.88	38.73
2020	4.57	43.30
2021	10.52	53.82
2022	3.83	57.65
>2023	42.36	100.00

(ii) The average rental per square metre by rentable area is GBP16.81 (2016: GBP 17.83).

(l) Other information

There are no weighted average rental escalation profile as no indexation is used in the UK.
The average annualised property yield is 6.57% (6.22%).
The rental area of the property is 1 116 766 square feet (2016: 1 116 766 - no change).

7. INVESTMENT PROPERTY *continued*

(m) Details of the shopping centres

Centre and address	Town	Region
Cleveland Centre, 85 Grange Road, Middlesbrough TS1 2LS	Middlesbrough	North East England
Coopers Square Shopping Centre, Staffordshire DE14 1HL	Burton upon Trent	West Midlands England
Houndshill Shopping Centre 17 Victoria Street FY1 4HU	Blackpool	North West England

8. DERIVATIVE FINANCIAL INSTRUMENTS

	THE GROUP	
	31 August 2017 GBP000	31 August 2016 GBP000
At 31 August 2017 – Liability	300	5 614

The derivative financial instruments held by the Group are two interest rate swaps entered at the level of the subsidiaries to manage the Group's interest rate and resulting cash flow exposure from the Group's bank loans.

At 31 August 2017, the swap for New Frontier Guernsey 1 Ltd. was of a notional amount of GBP84 million (2016: GBP84 million) and a weighted average fixed rate of 1.325% (2016: 1.325%). On 14 August 2017 the Group paid a premium GBP1 597 000 to reset the fixed rate to 0.5275% effective from 20 October 2017 for the remainder of the term. The fair value of the interest rate swaps at 31 August 2017 amounted to a payable of GBP159 679 (2016: GBP3 011 798).

At 31 August 2017, the swap for New Frontier Luxembourg Limited was in respect of a notional value of GBP59.7 million (2016: GBP59.7 million) and a weighted average fixed rate of 1.431% (2016: 1.431%). On 14 August 2017 the Group paid a premium GBP1 432 795 to reset the fixed rate to 0.56% effective from 30 October 2017 for the remainder of the term. The fair value of the interest rate swaps at 31 August 2017 amounted to a payable of GBP141 263 (2016: GBP2 602 451 payable).

9. TRADE AND OTHER RECEIVABLES

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Trade receivables	844	600	-	-
Receivables from related parties (note 30.1)	700	603	3 975	3 127
Other receivables	3 765	3 413	889	282
Income tax receivables	153	364	-	-
Accrued income	120	756	-	-
Prepayments	509	110	27	8
	6 091	5 846	4 891	3 417

None of the receivables are either past due or impaired.

The Group and the Company credit risk's concentration is spread over numerous tenants. Management ensures that the Company rents its units to tenants with appropriate credit worthiness. The level of receivables is monitored regularly on a tenant by tenant basis by the asset managers.

The Group does not hold any collateral as security.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

10. LOAN TO RELATED PARTIES

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Loan to related parties (see note 30.1)	-	-	62 525	59 239

The loan to related parties represents loans made to New Frontier Guernsey 1 Ltd. and New Frontier Luxembourg Limited, which are wholly-owned subsidiaries. These loans are interest-free, but up to 21 October 2015, the loan to New Frontier Luxembourg Limited bore interest at 10% and during that period, a total of GBP103 288 interest was charged. These loans are unsecured and denominated in GBP. They are repayable on demand, subject to the subsidiaries having sufficient cash resources available to make the repayment and that the repayment does not breach any of the terms of the loan facility provided by HSBC Bank plc and Deutsche Pfandbriefbank AG, to which these loans have been subordinated.

11. CASH AND CASH EQUIVALENTS

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Cash at bank and in hand	5 510	3 639	769	581

12. SHARE CAPITAL

The Company's share capital consists of 152 774 750 (2016: 152 774 750) ordinary shares of no par value.

	Number of shares	Share capital GBP000
At 1 September 2016	152 774 750	124 412
Capital reduction	-	(85 000)
At 31 August 2017	152 774 750	39 412
At 1 September 2015	104 389 880	80 511
Issue of shares	48 384 870	44 693
Issue costs	-	(792)
At 31 August 2016	152 774 750	124 412

The authorised number of shares is 300 000 000 (2016: 300 000 000) at no par value. All issued shares are fully paid, except for 1 000 shares issued to a former director. Fully paid ordinary shares carry one vote per share and carry a right to dividends.

To create additional distributable reserves, the Company has decreased its share capital by GBP85 million and increased its distributable reserves under the provisions of section 62 of the Mauritian Companies Act 2001, which reduces its stated capital that is not represented by the value of its assets.

13. BORROWINGS

The Group's borrowings are at floating rates of interest. Interest costs may increase or decrease as a result of changes in the interest rates.

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Non-current bank borrowings				
Bank loans	160 200	164 400	-	-
Unamortised loan origination costs	(1 088)	(1 465)	-	-
	159 112	162 935	-	-
Current bank borrowings				
Bank loans	7 700	-	-	-
Shareholder convertible loans	4 038	-	4 038	-
	11 738	-	4 038	-
Total borrowings	170 850	162 935	4 038	-

The Group obtained a term loan facility from Deutsche Pfandbriefbank AG to finance the acquisition of the shopping centre in Blackpool. The facility is for GBP59.7 million (2016: GBP59.7 million.) and was drawn in the previous period. The loan bears interest at 1.7% per annum over three-month LIBOR and is repayable on 28 July 2020.

The Group obtained a term loan facility from HSBC Bank plc to finance the acquisition of shopping centres in Middlesbrough and Burton-on-Trent on 15 April 2015 and on 7 April 2017 the facility was increased by GBP3.5 million for capital improvement to the shopping centres. The facility was for up to GBP109.7 million and GBP3.5 million (2016: GBP0.5 million) was drawn in the year. The loan bears interest at 2.2% per annum over three month LIBOR and is repayable in instalments, subject to loan to value covenants, with a bullet repayment on 7 March 2020.

Due to the fall in investment property value it is expected that the Group will be required to repay GBP1 925 000 each quarter until the loan to value falls below 60% and therefore the maturity of the loan from HSBC Bank plc has been reclassified accordingly.

The bank loans are secured by the investment properties and other assets in each shopping centre and their respective holding company.

The shareholder convertible loans carry interest at Prime Rate (South Africa) + 200 basis points. The loans are unsecured and shall become repayable on the date upon which the Company undertakes the vendor placement, failing which six months from the advance date. The loans will be converted into shares as and when the Company undertakes the equity raise for the vendor placement.

The Group's borrowings are denominated in GBP.

The fair value of borrowings approximated their carrying value at the date of the consolidated statement of financial position.

Interest paid on bank loans during the period amounted to GBP4 330 000 (2016: GBP4 383 342).

The table below shows the repayment schedule of the loans payable:

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
- Within one year	11 738	-	4 038	-
- Two to three years	99 788	-	-	-
- Three to four years	59 324	162 935	-	-
	170 850	162 935	4 038	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

14. DEFERRED TAXATION

	THE GROUP	
	31 August 2017 GBP000	31 August 2016 GBP000
At 1 September	-	26
Charge for the period	-	(26)
At 31 August	-	-

The closing deferred tax balance at 31 August 2015 related to accelerated capital allowances.

15. TRADE AND OTHER PAYABLES

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Trade and other payables	1 522	2 210	200	60
Accruals and deferred income	3 501	1 831	809	-
VAT payable	485	678	5	-
Payables to related parties (note 30.2)	-	-	254	697
	5 508	4 719	1 268	757

16. FINANCE (COSTS)/INCOME

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Interest payable:				
- on bank loans	(4 330)	(4 383)	-	-
- on interest rate swap contracts	(1 070)	(882)	-	-
- on shareholder convertible loan	(38)	-	(38)	-
Amortisation of loan origination costs	(391)	(399)	-	-
Loan non-utilisation fees	(14)	(29)	-	-
Bank charges	(9)	-	-	-
Unrealised exchange loss	-	(15)	-	(15)
Interest income	5	1	-	103
	(5 847)	(5 707)	(38)	88

17. TAXATION

Tax expense comprises of current and deferred tax.

Tax is recognised in profit or loss except to the extent that it relates to items recognised in other comprehensive income.

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Current tax on the adjusted results for the year at 0% (2016: 20%/0%)	-	(36)	-	-
(Over)/underprovision in prior year	(84)	10	-	10
Deferred tax (note 14)	-	(26)	-	-
Tax (credit)/charge	(84)	(52)	-	10

17. TAXATION *continued*

- (a) The tax on the Group's and the Company's profit/(loss) before taxation differs from the theoretical amount that would arise using the basic tax rate as follows:

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Profit/(loss) before taxation	158	(809)	3 209	10 503
Tax calculated at 0% (2016: 20%/0%)	-	(162)	-	2 101
Other movement	262	-	-	-
Non-deductible expenses	-	2 806	-	-
REIT exempt income and gains	-	(2 101)	-	(2 101)
Income and gains not subject to tax	(262)	(317)	-	-
(Under)/over accrued in prior years	(84)	(288)	-	-
Overprovision in prior year	-	10	-	10
	(84)	(52)	-	10

The subsidiaries incorporated in Guernsey which own investment properties in the UK are subject to 20% income tax on profits in the UK.

On 21 October 2015, New Frontier Properties Ltd, the Company, converted to a Real Estate Investment Trust ("REIT") for UK tax purposes and as such the Group is no longer required to pay tax provided that the group continues to fulfil the conditions of being a REIT.

18. BASIC AND HEADLINE EARNINGS

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Basic earnings/(loss) attributable to equity holders of the Company	242	(757)	3 209	10 493
Impairment of investment in subsidiaries (note 6)	-	-	8 701	-
Fair value movement on investment properties (note 7)	10 046	8 745	-	-
Headline earnings attributable to equity holders of the Company	10 288	7 988	11 910	10 493
Number of shares/weighted average number of shares	152 774 750	150 527 365	152 774 750	150 527 365
Earnings/(loss) per share				
Basic earnings/(loss) per share (GBP)	0.002	(0.005)	0.021	0.070
Headline earnings per share (GBP)	0.067	0.053	0.078	0.070

At 31 August 2017, the Company had shareholders convertible loans amounting to GBP4 038 million.

As at that date, the company did not have specific input relating to pricing and the timing of the conversion as these are contingent based on the forthcoming capital raise and placement by the Company. The Group therefore did not present any dilutive effect on the earnings per share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

19. ACQUISITION OF SUBSIDIARIES

(a) Acquisitions in the previous period

On 23 September 2016, the Group acquired a shopping centre in Blackpool by acquiring the whole of the issued share capital of BCC Eiffel Limited. In accordance with its accounting policy, the Group has determined that this acquisition was a business combination. The costs of acquisition which have been recognised in the consolidated statement of profit or loss and other comprehensive income amount to GBP2 562 565.

The Group is continuing to pursue dominant retail assets in towns in the UK. However, following the decision of the UK to vote to leave the EU, the Group is also considering new acquisitions on alternative European markets. The UK currently faces a period of uncertainty before formally exiting the EU whilst negotiations between the UK and the other EU member countries are finalised. The Board has decided to proceed with caution until the uncertainty in the UK economy has reduced and there is more clarity on the state of the property investment market.

The following table summarises the consideration paid for BCC Eiffel Limited and the fair values of the assets acquired and liabilities assumed recognised at acquisition date.

	THE GROUP
	2016 GBP000
Investment property	100 750
Trade and other receivables	186
Cash and cash equivalents	1 833
Trade and other payables	(2 656)
Borrowings	(86 727)
Fair value of net assets	13 386
Cash consideration paid	(13 386)
Goodwill arising on acquisition	-
Amounts recognised in profit or loss since acquisition	
Revenue	7 260
Profit after tax	851

Had BCC Eiffel Limited been consolidated from 1 September 2015, revenue for the year would have been higher by GBP464 298 and loss would have been lower by GBP341 969 respectively.

(b) Net cash outflow on acquisition of subsidiaries

	THE GROUP
	2016 GBP000
Consideration paid in cash	13 386
Less cash and cash equivalents balances acquired	(1 833)
	11 553

20. NOTES TO THE STATEMENT OF CASH FLOWS

	THE GROUP		THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
(a) Cash generated from operations				
Profit/(loss) before taxation	158	(809)	3 209	10 503
Interest expense	5 452	5 387	38	-
Interest income	(5)	(1)	-	-
Depreciation	2	1	2	1
Impairment of investment in subsidiaries	-	-	8 701	-
Amortisation of loan origination costs	391	399	-	-
Fair value loss on derivative financial instruments	-	175	-	-
Fair value loss on investment property	10 046	8 745	-	-
Changes in working capital:				
- Receivable/Due from related companies	-	(240)	(1 193)	(2 682)
- Trade and other receivables	(440)	(2 417)	(722)	286
- Trade and other payables	771	377	952	(294)
Cash generated from operations	16 375	11 617	10 987	7 814

(b) Non-cash transactions

To create additional distributable reserves, the Company has decreased its share capital by GBP85 million and increased its distributable reserves under the provisions of section 62 of the Mauritian Companies Act 2001, which reduces its stated capital that is not represented by the value of its assets.

In the previous year, the only non-cash transactions related to shares issued to New Frontier Properties Ltd by New Frontier Luxembourg Limited and New Frontier Guernsey 1 Ltd. for no cash consideration. These issues of shares were compensated for by offsetting the amount of loan payable to New Frontier Properties Ltd. The respective amounts for New Frontier Luxembourg Limited and New Frontier Guernsey 1 Ltd. were GBP21 890 414 and GBP39 736 000 respectively.

21. NON-ADJUSTING SUBSEQUENT EVENTS

Subsequent to year-end, the Group will be acquiring a logistics warehouse property in Ireland for GBP8.0 million. The contracts have been exchanged and the acquisition is scheduled to be completed within October 2017.

22. GOING CONCERN

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

23. FINANCIAL INSTRUMENTS

The classes of financial instruments and fair value are as follows:

	THE GROUP		THE COMPANY	
	Loans and receivables GBP000	Carrying value GBP000	Loans and receivables GBP000	Carrying value GBP000
FINANCIAL ASSETS				
2017				
Trade and other receivables	5 310	5 310	4 864	4 864
Cash and cash equivalents	5 510	5 510	769	769
Loan to related parties	-	-	62 525	62 525
	10 820	10 820	68 158	68 158
2016				
Trade and other receivables	5 736	5 736	3 409	3 409
Cash and cash equivalents	3 639	3 639	581	581
Loan to related parties	-	-	59 239	59 239
	9 375	9 375	63 229	63 229

The classes of financial instruments and fair value are as follows:

	THE GROUP		THE COMPANY	
	Fair value GBP000	Carrying value GBP000	Fair value GBP000	Carrying value GBP000
FINANCIAL LIABILITIES				
2017				
Interest-bearing borrowings	170 850	170 850	4 038	4 038
Derivative financial instrument	300	300	-	-
Trade and other payables	5 508	5 508	1 268	1 268
	176 658	176 658	5 306	5 306
2016				
Interest-bearing borrowings	162 935	162 935	-	-
Derivative financial instrument	5 614	5 614	-	-
Trade and other payables	4 719	4 719	757	757
	173 268	173 268	757	757

24. SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES

(a) Statements of profit or loss and other comprehensive income

	Year ended 31 August 2017 GBP000	Year ended 31 August 2016 GBP000	Period from 1 January 2015 to 31 August 2015 GBP000
THE GROUP			
Revenue	19 279	20 663	5 333
Profit/(loss) before taxation from continuing operations	158	(809)	1 608
Taxation	84	52	(723)
Profit/(loss) for the year/period	242	(757)	885
Profit from discontinued operations	-	-	54
Other comprehensive income	2 284	(5 614)	-
Total comprehensive income for the year	2 526	(6 371)	939
Profit/(loss) attributable to:			
- Owners of the parent	242	(757)	885
- Non-controlling interest	-	-	-
Total comprehensive income attributable to:			
- Owners of the parent	2 526	(6 371)	939
- Non-controlling interest	-	-	-
Basic earnings/(loss) per share			
- From continuing operations	0.002	(0.005)	0.013
- From discontinued operations	-	-	0.001
Headline earnings/(loss) per share			
- From continuing operations	0.067	0.053	(0.004)
- From discontinued operations	-	-	0.001
Rate of dividend (GBP)	0.29	0.08	-
THE COMPANY			
Revenue	13 050	11 300	-
Profit/(loss) before taxation	3 209	10 503	(623)
Taxation	-	(10)	-
Profit/(loss) for the year/period	3 209	10 493	(623)
Other comprehensive income	-	-	-
Total comprehensive income for the year/period	3 209	10 493	(623)
Profit/(loss) attributable to:			
- Owners of the parent	3 209	10 493	(623)
- Non-controlling interest	-	-	-
Total comprehensive income attributable to:			
- Owners of the parent	3 209	10 493	(623)
- Non-controlling interest	-	-	-
Basic earnings per share	0.021	0.070	0.009
Headline earnings per share	0.078	0.070	0.011

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

24 SUMMARY OF PUBLISHED RESULTS AND ASSETS AND LIABILITIES *continued*

(b) Statements of financial position

	31 August 2017 GBP000	31 August 2016 GBP000	31 August 2015 GBP000
THE GROUP			
ASSETS			
Non-current assets	264 817	272 607	180 400
Current assets	11 601	9 485	7 640
Total assets	276 418	282 092	188 040
EQUITY			
Share capital	39 412	124 412	80 511
Hedging reserve	(3 330)	(5 614)	-
Retained earnings/(Accumulated losses)	63 678	(10 051)	834
Owner's interest	99 760	108 747	81 345
LIABILITIES			
Non-current liabilities	159 412	168 549	103 000
Current liabilities	17 246	4 796	3 695
Total liabilities	176 658	173 345	106 695
Total equity and liabilities	276 418	282 092	188 040
THE COMPANY			
ASSETS			
Non-current assets	52 955	61 658	9
Current assets	68 185	63 237	81 072
Total assets	121 140	124 895	81 081
EQUITY			
Share capital	39 412	124 412	80 511
Retained earnings/(Accumulated losses)	76 422	(274)	(639)
Owner's interest	115 834	124 138	79 872
LIABILITIES			
Non-current liabilities	-	-	-
Current liabilities	5 306	757	1 209
Total liabilities	5 306	757	1 209
Total equity and liabilities	121 140	124 895	81 081

25. CAPITAL COMMITMENTS

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	THE GROUP		THE COMPANY	
	2017 GBP000	2016 GBP000	2017 GBP000	2016 GBP000
Purchase of investment property	7 986	-	-	-

Capital commitment relates to the Group's undertaking to acquire, through one of its subsidiaries, a logistics warehouse property in Ireland for GBP8.0 million. The contracts have been exchanged and the acquisition is scheduled to be completed within October 2017.

26. SEGMENTAL INFORMATION

The Group derives its revenue from a single business activity, the property sector, which it considers as its only segment.

The accounting policies of the operating segment are the same as those described in the summary of significant accounting policies. New Frontier Properties Ltd evaluates performance on the basis of profit or loss from the shopping centres located in the UK.

	Property 31 August GBP000	Total 31 August GBP000
2017		
Revenue from external customers	19 279	19 279
Segment result	16 051	16 051
Fair value loss on investment property	(10 046)	(10 046)
Finance costs		(5 847)
Profit before taxation		158
Taxation		84
Profit for the year from continuing operations		242
2016		
Revenue from external customers	20 663	20 663
Segment result	16 206	16 206
Fair value loss on investment property	(8 745)	(8 745)
Acquisition costs		(2 563)
Finance costs		(5 707)
Loss before taxation		(809)
Taxation		52
Loss for the year from continuing operations		(757)

27. NON-CANCELLABLE OPERATING LEASES

The Group earns rental income by leasing its investment properties to tenants under non-cancellable operating leases. At the period-end the Group had contracts with tenants for the following future minimum lease payments:

	THE GROUP	
	2017 GBP000	2016 GBP000
Within one year	14 186	14 921
In the second to fifth year (inclusive)	37 148	38 457
After five years	100 665	101 179
	151 999	154 557

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

28. ULTIMATE CONTROLLING PARTY

The Company has no ultimate parent and controlling party.

Copies of these financial statements are available from the Company Secretary, Osiris Corporate Solutions (Mauritius) Ltd, 5th Floor, La Croisette, Grand Baie, Mauritius.

As at 31 August 2017, the following shareholders had holdings exceeding 5% of the Company's total shares in issue:

	31 August 2017	31 August 2016
BVI 2023 (Pty) Ltd	5.98%	N/A
BVI 2024 (Pty) Ltd	5.98%	N/A
BVI 2025 (Pty) Ltd	5.98%	N/A
BVI 2026 (Pty) Ltd	5.98%	N/A
BVI 2027 (Pty) Ltd	5.98%	N/A
Prescient Global Qualified Investor Type Fund PLC	8.94%	7.64%
Delfisat (Pty) Ltd	5.44%	9.72%
Delfiflo (Pty) Ltd	5.44%	9.72%
Delfiwiz (Pty) Ltd	5.44%	9.72%
Lesassign (Pty) Ltd	5.44%	9.72%
Delficraft (Pty) Ltd	5.44%	9.72%
Delfitime (Pty) Ltd	5.37%	9.66%
Clyroplex (Pty) Ltd	5.14%	9.22%

It is noted that these shareholdings are as a result of various Share Purchase Agreements entered into between Friedshelf 1748 (Pty) Ltd and the other shareholders listed above, which agreements all have the effective date of 31 August 2017, notwithstanding the date of the transfer of the shares.

29. CONTINGENCIES

The Group has no significant contingent liabilities (2016: Nil).

30. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions. Related party transactions are made in the normal course of business.

In addition, key management personnel are considered to be related parties and any transactions with them are disclosed below. For the purposes of related party disclosures under IAS 24, key management personnel of the Group comprise all executive and non-executive directors.

30.1 Balances arising from sales of services and assets

	Relationship	THE GROUP		THE COMPANY	
		31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Receivables from related parties					
New Frontier Guernsey 1 Ltd.	Subsidiary	-	-	3 136	2 524
New Frontier Europe Limited	Subsidiary	-	-	139	-
Waypoint New Frontier Limited	Key personnel	700	-	700	-
Loan to subsidiary undertaking					
New Frontier Guernsey 1 Ltd.	Subsidiary	-	-	41 616	39 794
New Frontier Luxembourg Limited	Subsidiary	-	-	20 909	19 445
Amount receivable from former shareholder		-	603	-	603
		700	603	66 500	62 366

30. RELATED PARTY TRANSACTIONS *continued*

30.1 Balances arising from sales of services and assets *continued*

During the year, the Company advanced additional loans to New Frontier Guernsey 1 Ltd. and New Frontier Luxembourg Limited, wholly-owned subsidiaries. These loans are interest-free, but up to 21 October 2015, the loan to New Frontier Luxembourg Limited bore interest at 10% and interest charged was GBP103 238. These loans are unsecured and denominated in Pounds Sterling. It is repayable on demand, subject to the subsidiaries having sufficient cash resources available to make the repayment and that the repayment does not breach any of the terms of the loan facility provided by HSBC Bank plc and Deutsche Pfandbriefbank AG, to which these loans have been subordinated.

During the year, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2016:nil). This assessment is carried out each financial year through examining the financial position of the related party and the market in which the related party operates.

30.2 Balances arising from purchase of services

	Relationship	THE GROUP		THE COMPANY	
		31 August 2017 GBP000	31 August 2016 GBP000	31 August 2017 GBP000	31 August 2016 GBP000
Payables to related parties					
New Frontier Luxembourg Limited	Subsidiary	-	-	254	697
		-	-	254	697

Amounts due to related parties are unsecured, bears no interest and have no fixed repayment terms and payable on demand.

Waypoint New Frontier Limited is considered to be a related party by virtue of the asset management agreement in place between this company and New Frontier Properties Ltd, and a Director of the Company being an employee of Waypoint New Frontier Ltd. Waypoint New Frontier Limited is a wholly-owned subsidiary of Waypoint Asset Management Limited, which has entered into an asset management agreement with the Group to provide all services regarding the operations of assets purchased in the UK.

During the year, a total of GBPNil (2016: GBP136 842) for the Group and the Company was charged by Waypoint Asset Management Limited in respect of these services. There was no outstanding balance at year-end (2016: GBPNil) for both the Group and the Company.

During the year, a total of GBPNil (2016: GBPNil) for the Company and GBP689 837 (2016: GBP1 410 766) for the Group was charged by Waypoint New Frontier Limited in respect of these services. There was no outstanding balance at year end (2016: GBPNil) for both the Group and the Company.

Belasko Administration Ltd, the administrator of the Group's subsidiaries, is considered to be a related party due to the fact that two common directors of the subsidiaries are employees of Belasko Administration Ltd. Administration fees of GBP135 167 (2016: GBP177 748) were charged to the Group for the year ended 31 August 2017 of which GBPNil (2016: GBPNil) was outstanding at year-end.

30.3 Loans payable

	THE GROUP AND THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000
Shareholder convertible loan	4 038	-

During the year, one the Company's shareholders advanced the Company a loan of GBP4 000 000 for future acquisition of investment property. The terms of the loan are described in note 13.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

FOR THE YEAR ENDED 31 AUGUST 2017

30. RELATED PARTY TRANSACTIONS *continued*

30.4 Directors' fees

	THE GROUP AND THE COMPANY	
	31 August 2017 GBP000	31 August 2016 GBP000
Directors' fees	189	180

Directors' fees include an amount of GBP22 000 (2016: GBP8 333) paid to Osiris Corporate Solutions (Mauritius) Ltd for directorship services rendered during the year. The amount of GBP188 685 as at 31 August 2017 is wholly for the year ended 31 August 2017 and fully paid. The amount of GBP179 718 as at 31 August 2016 also included an amount of GBP29 523 relating to directors' fees for the period ended 31 August 2015 and paid in 2016.

30.5 Waiver of dividend

Waiver of dividend has been described in note 31.

31. DIVIDENDS PER SHARE

	THE GROUP AND THE COMPANY
	31 August 2017 GBP000
Amounts recognised as distributions to equity holders in the year:	
Final dividend declared on 17 October 2016 of 4.00 GBP pence per share	6 111
Interim dividend declared on 28 February 2017 of 3.60 GBP pence per share	5 500
	11 611
Waiver of dividend	(98)
Net dividend	11 513

On 17 October 2016, the directors declared a dividend of 4.00 pence per ordinary share amounting to a total dividend of GBP6 110 990.

On 28 February 2017, the directors declared a dividend of 3.60 pence per ordinary share amounting to a total dividend of GBP5 499 891

	31 August 2016 GBP000
Amounts recognised as distributions to equityholders in the year:	
Final dividend declared on 23 October 2015 of 3.05 GBP pence per share	4 628
Interim dividend declared on 07 April 2016 of 3.60 GBP pence per share	5 500
	10 128

On 23 October 2015, the directors declared a dividend of 3.05 pence per ordinary share amounting to a total dividend of GBP4 627 963.

On 7 April 2016, the directors declared a dividend of 3.6 pence per ordinary share amounting to a total dividend of GBP5 499 891.

Waiver of dividend of GBP98 000 relates to dividend on shares of a former shareholder who had assigned the rights to his shares to the Company as security against the amount owed by him to the Company.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT

The Directors

New Frontier Properties Limited
B45 Twenty-Foot Road
3rd floor
La Groisette
Grand Baie
Mauritius

4 January 2018

Dear Sirs

REPORT OF THE INDEPENDENT REPORTING ACCOUNTANTS ON NEW FRONTIER PROPERTIES LIMITED

Introduction

We have completed our assurance engagement to report on the compilation of *pro forma* financial information by New Frontier Properties Limited ("**New Frontier**" or the "**Company**") by the directors. The *pro forma* financial information, as set out in the reconciliation of IFRS total comprehensive income to recurring profit section of the 2017 integrated annual report for the year ended 31 August 2017 ("**IAR**"), consists of the reconciliation of IFRS total comprehensive income to recurring profit and the net asset value ("**NAV**") per share calculated in accordance with the recommendations of the European Public Real Estate Association ("**EPRA**") ("**Pro forma Financial Information**"). The *Pro forma* Financial Information has been compiled on the basis of the applicable criteria specified in the JSE Limited ("**JSE**") Listings Requirements ("**Listings Requirements**"). Because of its nature, the *Pro forma* Financial Information does not represent the company's actual financial position, financial performance or cash flows.

The *Pro forma* Financial Information has been compiled by the directors to illustrate:

- the recurring profit as per the management accounts, which the directors consider to be more meaningful in interpreting the performance of the Company; and
- the NAV per share calculated in accordance with the recommendations of the EPRA.

As part of this process, information about the Company's financial position and financial performance has been extracted by the directors from the Company's financial statements for the year ended 31 August 2017, on which an auditor's report was issued on 15 October 2017 and contains an unmodified opinion.

Directors' responsibility

The directors of New Frontier (the "**Directors**") are solely responsible for the compilation, contents and presentation of the *Pro forma* Financial Information and for the financial information from which it has been prepared.

Their responsibility includes determining that:

- The *Pro forma* Financial Information contained in the IAR has been properly compiled on the basis stated;
- The basis is consistent with the accounting policies of New Frontier; and
- The *pro forma* adjustments are appropriate for the purposes of the *Pro forma* Financial Information as disclosed in terms of the JSE Listings Requirements.

Quality control

The firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independence and other ethical requirements

We have complied with the independence and other ethical requirements of the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors ("**IRBA Code**"), which is consistent with Parts A and B of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Reporting Accountants' Responsibility

Our responsibility is to express an opinion, as required by the JSE Listings Requirements, about whether the *Pro forma* Financial Information has been compiled, in all material respects, by the directors in accordance with the applicable criteria, based on our procedures performed. We are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro forma* Financial Information. In addition, we have not performed an audit or review of the financial information used in compiling the *Pro forma* Financial Information.

Scope

We conducted our engagement in accordance with International Standard on Assurance Engagements ("**ISAE**") 3420, *Assurance Reports on the Process to Compile Pro forma Financial Information Included in a Prospectus*, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the responsible party has applied the process to compile the *Pro forma* Financial Information in accordance with the applicable criteria.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT *continued*

A reasonable assurance engagement to report on whether the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the *Pro forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the management adjustments, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the *Pro forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro forma* Financial Information.

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

Opinion

In our opinion, the *Pro forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified by the JSE Listings Requirements.

Per Nick Lazanakis

Chartered Accountant (SA)

BDO South Africa Incorporated
22 Wellington Road
Parktown
2193

RECONCILIATION OF IFRS TOTAL COMPREHENSIVE INCOME TO RECURRING PROFIT

Basis of preparation

In order to provide information of relevance to investors and a meaningful basis of comparison, unaudited management accounts have been prepared and are presented below. The directors consider that the management accounts are more meaningful in interpreting the performance of the Company. The management accounts diverge from IFRS as they make adjustments to total comprehensive income to determine recurring profit and the European Public Real Estate Association (“EPRA”) NAV.

The preparation of the management accounts is the sole responsibility of the directors and has been prepared in accordance with the basis stated for illustrative purposes only. Due to their nature, the management accounts may not fairly represent the results of the Company.

	<i>Pro-forma</i> adjustment	Year ended 31 August 2017 GBP 000	Year ended 31 August 2016 GBP 000
Total comprehensive income/(loss) for the period	1	2 526	(6 371)
Fair value (gain)/loss on financial derivatives		(2 284)	5 614
Basic earnings/(loss)		242	(757)
Fair value movement on investment property	2	10 046	8 745
Amortised and other loan costs	3	451	419
Taxation	4	(84)	(52)
Acquisition related fees	5	-	2 563
Administrative expenses	6	352	761
Recurring profit		11 007	11 679

The total comprehensive income/(loss) for the period has been extracted from the Statements of Profit or Loss and Other Comprehensive Income.

1. This adjustment removes the fair value (gain)/loss on the derivative financial instruments held by the Group. The derivative financial instruments are comprised of two interest rate swaps entered at a the level of the subsidiaries to manage the Group's interest rate and resulting cash flow exposure from the Group's bank loans. Further details of the fair value (gain)/loss is disclosed in note 8 of the notes to the consolidated financial statements.
2. This adjustment removes the fair value loss on the revaluation of investment property. Further details of the fair value loss is disclosed in note 7 of the notes to the consolidated financial statements.
3. This adjustment removes the amortisation of loan origination costs and certain other non-recurring loan costs.
4. This adjustment removes taxation for the year in order to calculate recurring profit before tax. Further details of taxation is disclosed in note 17 of the notes to the consolidated financial statements.
5. This adjustment removes expenses in relation to the acquisition of properties. This expense is disclosed in note 26 of the notes to the consolidated financial statements.
6. This adjustment removes administrative expenses of a non-recurring nature.

Recurring profit for the period is per the unaudited management accounts.

EPRA has issued recommended bases for the calculation of NAV per share (see the table below).

	<i>Pro-forma</i> adjustment	As at 31 August 2017	As at 31 August 2016
Total equity (GBP 000)		99 760	108 747
Adjusted for:			
Mark-to-market of financial derivatives (GBP 000)	7	3 330	5 614
EPRA NAV (GBP 000)		103 090	114 361
Number of shares		152 774 750	152 774 750
NAV per share (GBP)		0.67	0.75

EPRA NAV excludes mark-to-market on financial derivatives.

Total equity as at period end has been extracted from the Statements of Financial Position.

7. This adjustment removes the mark-to-market valuation of financial derivatives from the NAV calculation.

The number of shares has been extracted from note 12 of the notes to the consolidated financial statements.

NOTICE OF ANNUAL GENERAL MEETING

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

If you have sold or otherwise transferred all of your shares, please send this document, but not the accompanying personalised proxy form, at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NEW FRONTIER PROPERTIES

NEW FRONTIER PROPERTIES LTD

(Incorporated in the Republic of Mauritius)
(Registration number 123368C1/GBL)
Having its registered address at
B45 Twenty-Foot Road, 5th Floor, La Croisette, Grand Baie, Mauritius
SEM share code: NFP.N0000
JSE share code: NFP ISIN: MU0453N00004
("New Frontier" or "the Company")

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Company will be held at 2nd Floor, 86 Brook Street, London, W1K 5AY, United Kingdom at 10:00 UK time (12:00 South African time; 14:00 Mauritian time) on Monday, 26 February 2018 for the purpose of:

- A. presenting the audited annual financial statements of the Company as well as the directors' report for the period ended 31 August 2017; and
- B. considering and if deemed fit adopting with or without modification, the shareholder resolutions set out below.

Terms defined in the Integrated Annual Report to which this Notice of Annual General Meeting is attached ("**Annual Report**") shall, unless the context indicates otherwise, have the meanings ascribed to them in the Annual Report.

Resolutions 1 to 6 (inclusive) will be proposed as ordinary resolutions which require more than 50% of the votes cast to be in favour in order for the resolution to be passed. As required by the JSE Listings Requirements, Resolution 7 will be proposed as an ordinary resolution requiring at least 75% of the votes cast to be in favour in order for the resolution to be passed. Resolutions 8 and 9 are of a non-binding, advisory nature and should these resolutions be voted against by 25% or more of the voting rights exercised, the Board undertakes to engage with the dissenting shareholders. Resolution 10 will be proposed as a special resolution which require at least 75% of the votes cast to be in favour in order for the resolution to be passed.

For those who are unable to attend, please complete the hard copy proxy form enclosed and return it to the Company Secretary by 14:00 Mauritian time on Friday, 23 February 2018.

Timetable of events

Record date to be recorded in the register in order to be entitled to receive the notice of Annual General Meeting	Friday, 29 December 2017
Record date to be recorded in the register in order to be entitled to participate in and vote at the Annual General Meeting	Friday, 16 February 2018
Last date to lodge forms of proxy for the Annual General Meeting by 10:00 UK time (12:00 South African time; 14:00 Mauritian time) on	Friday, 23 February 2018
Annual General Meeting held at 10:00 UK time (12:00 South African time; 14:00 Mauritian time) on	Monday, 26 February 2018

ORDINARY RESOLUTIONS

RESOLUTION 1: APPROVAL OF ACCOUNTS

To receive and adopt the audited annual financial statements of the Company for the period ended 31 August 2017, together with the directors' and independent auditor's reports thereon.

RESOLUTION 2.1: RE-ELECTION OF DIRECTOR

To re-elect Mr Sisa Ngebulana as a director.

RESOLUTION 2.2: RE-ELECTION OF DIRECTOR

To re-elect Mr Andile Mazwai as a director.

RESOLUTION 2.3: RE-ELECTION OF DIRECTOR

To re-elect Mr Michael Riley as a director.

RESOLUTION 2.4: RE-ELECTION OF DIRECTOR

To re-elect Mr Nigel Gurkin as a director.

RESOLUTION 2.5: RE-ELECTION OF DIRECTOR

To re-elect Mrs Marelise De Lange as a director.

RESOLUTION 2.6: RE-ELECTION OF DIRECTOR

To re-elect Mr Daniel Romburgh as a director.

RESOLUTION 2.7: RE-ELECTION OF DIRECTOR

To re-elect Mr Tinesh Ramprasad as a director.

RESOLUTION 2.8: RE-ELECTION OF DIRECTOR

To re-elect Mr William Heaney as a director.

RESOLUTION 2.9: RE-ELECTION OF DIRECTOR

To re-elect Mr Richard Thomas as a director.

Brief *curricula vitae* in respect of the directors standing for re-election are set out on pages 12 and 13 of the Annual Report.

RESOLUTION 3: RE-APPOINTMENT OF AUDITORS

To re-appoint BDO & Co, as the independent auditor of the Company, to hold office until the conclusion of the Company's next Annual General Meeting in 2019.

RESOLUTION 4: REMUNERATION OF AUDITORS

To authorise the directors to determine the remuneration of the auditors of the Company.

RESOLUTION 5: REMUNERATION OF NON-EXECUTIVE DIRECTORS

To approve the remuneration of the non-executive directors, as follows: the sum of GBP10 000 per annum (GBP15 000 per annum for the Chairman of the Board), plus GBP1 000 per meeting attended or GBP2 000 per meeting attended for a Chairperson of a committee.

RESOLUTION 6: ISSUE OF SHARES

To authorise the Board, in terms of paragraph 4.1 of the Constitution, to issue up to 300 million ordinary shares at any time to any person and in any number as it thinks fit pursuant to section 52 of the Companies Act 2001, the SEM Listing Rules and the JSE Listings Requirements, provided that such authority shall only be valid until the next Annual General Meeting of the Company.

RESOLUTION 7: GENERAL AUTHORITY TO ISSUE SHARES FOR CASH

To authorise the directors of the Company by way of a general authority to issue shares in the capital of the Company for cash, as and when they in their discretion deem fit, subject to the Companies Act 2001, the Constitution, the SEM Listing Rules and the JSE Listings Requirements, when applicable, and the following limitations, namely that:

- a) the shares which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- b) any such issue will be made to **"public shareholders"** and not **"related parties"**, all as defined in the JSE Listings Requirements, unless the JSE otherwise agrees;
- c) the total aggregate number of shares which may be issued for cash in terms of this authority may not exceed 80 467 703 shares, being 50% (fifty percent) of the Company's issued shares as at the date of notice of this annual general meeting. Accordingly, any shares issued under this authority prior to this authority lapsing shall be deducted from the 80 467 703 shares the Company is authorised to issue in terms of this authority for the purpose of determining the remaining number of shares that may be issued in terms of this authority;
- d) in the event of a sub-division or consolidation of shares prior to this authority lapsing, the existing authority shall be adjusted accordingly to represent the same allocation ratio;
- e) in determining the price at which an issue of shares may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of those shares over the 30 (thirty) business days prior to the date that the price of the issue is determined or agreed to by the directors of the Company;
- f) an announcement containing full details of the issue, including the number of shares issued, the average discount to the weighted average traded price of the shares over the 30 (thirty) days prior to the date that the issue is agreed in writing and an explanation, including supporting documentation (if any), of the intended use of the funds will be published at the time of any issue representing, on a cumulative basis within 1 (one) financial year, 5% (five percent) of the number of shares in issue prior to the issue; and
- g) this authority shall be valid until the Company's next annual general meeting, provided that it shall not extend beyond 15 (fifteen) months from the date that this authority is given.

NOTICE OF ANNUAL GENERAL MEETING *continued*

RESOLUTION 8: NON-BINDING ADVISORY VOTE ON REMUNERATION POLICY

To endorse, by way of a non-binding advisory vote, in accordance with the principles and practices of the King IV Code on Corporate Governance, the Company's remuneration policy, as further detailed on pages 26 of the Annual Report.

RESOLUTION 9: NON-BINDING ADVISORY VOTE ON REMUNERATION IMPLEMENTATION REPORT

To endorse, by way of a non-binding advisory vote, in accordance with the principles and practices of the King IV Code on Corporate Governance, the Company's implementation report with regard to the remuneration of executive directors for the year ended 31 August 2017, as set out on page 26 of the Annual Report.

SPECIAL RESOLUTIONS

RESOLUTION 10: WAIVER OF PRE-EMPTION RIGHTS

To authorise the Board, in terms of paragraph 4.6 of the Constitution, to issue any further shares proposed to be issued wholly for cash consideration or for the acquisition of assets (which shall include a cheque received in good faith or a release of a liability of the company for a liquidated sum or an undertaking to pay cash to the company at a future date), without having to first offer such shares to the Members in proportion as nearly as may be to the number of the existing shares held by them respectively, provided that such authority shall only be valid until the next Annual General Meeting of the Company.

QUORUM

The quorum for the Annual General Meeting shall be at least three shareholders present in person or by proxy.

In addition:

- a) the Annual General Meeting may not begin until sufficient persons are present at the Annual General Meeting to exercise, in aggregate, at least 25% (twenty-five percent) of the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the Annual General Meeting; and
- b) a matter to be decided at the Annual General Meeting may not begin to be considered unless sufficient persons are present at the Annual General Meeting to exercise, in aggregate, at least 25% (twenty-five percent) of all of the voting rights that are entitled to be exercised in respect of that matter at the time the matter is called on the agenda.

After a quorum has been established for the Annual General Meeting, or for a matter to be considered at a meeting, all the Shareholders forming part of the quorum must be present at the meeting for the matter to be considered at the meeting.

Registered Office:

B45 Twenty-Foot Road
5th Floor
La Croisette
Grand Baie
Mauritius

BY ORDER OF THE BOARD

Osiris Corporate Solutions (Mauritius) Ltd, Company Secretary

Dated this 22nd day of December 2017

NOTES

As at 22nd December 2017 (being the last practicable day prior to the finalisation of this notice of Annual General Meeting), the Company's issued share capital consisted of 160 935 407 ordinary shares, carrying one vote each. No shares are currently held in Treasury.

Subject to any special rights or restrictions as to voting attached to any shares by or in accordance with the Constitution, at a meeting of the Company:

- a) every person present and entitled to exercise voting rights shall be entitled to 1 (one) vote on a show of hands, irrespective of the number of voting rights that person would otherwise be entitled to exercise;
- b) on a poll any person who is present at the meeting, whether as a shareholder or as proxy for a shareholder, has the number of votes determined in accordance with the voting rights associated with the securities held by that shareholder.

A shareholder may be represented at a meeting of shareholders by a proxy who may speak and vote on behalf of the shareholder.

A Form of Proxy is enclosed for your use if desired. To be valid, the instrument appointing a proxy must be completed and reach the Company Secretary at the Company's registered office, B45 Twenty-Foot Road, 5th Floor, La Croisette, Grand Baie, Mauritius (or by email to kevin@ocs.world), so as to arrive not less than 24 hours before the time of holding the meeting.

In the case of joint holders of shares,

- a) if two or more persons hold shares jointly each of them may be present in person or by proxy at a meeting of Shareholders and may speak as a shareholder;
- b) if only one of the joint owners is present in person or by proxy he may vote on behalf of all joint owners; and
- c) if two or more of the joint owners are present in person or by proxy they must vote as one.

To direct your proxy how to vote on the resolutions mark the appropriate box on your proxy form with an "X". To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

Any power of attorney or any other authority under which your proxy form is signed (or a duly certified copy of such power or authority) must be included with your proxy form.

In the case of a member which is a company, your proxy form must be executed under its common seal or signed on its behalf by a duly authorised officer of the company or an attorney for the company.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

All beneficial owners whose shares have been dematerialised through a Central Securities Depository Participant ("CSDP"), the Central Depository and Settlement Company Ltd ("CDS") or broker other than with "own name" registration, must provide the CSDP, CDS or broker with their voting instructions in terms of their custody agreement should they wish to vote at the Annual General Meeting. Alternatively, they may request the CSDP, CDS or broker to provide them with a letter of representation, in terms of their custody agreements, should they wish to attend the Annual General Meeting. Such shareholder must not complete the attached form of proxy.

Any member attending the meeting has the right to ask questions. The Company has to answer any questions raised by members at the meeting which relate to the business being dealt with at the meeting unless: 1. to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; 2. the answer has already been given on a website in the form of an answer to a question, or 3. it is undesirable in the interests of the company or the good order of the meeting to answer the question.

Explanation of Resolutions:

Resolution 1: The Annual Report was sent to shareholders on 16 January 2018, along with this notice.

Resolutions 2.1 – 2.9: In accordance with paragraph 12.1.2 of the Constitution of the Company, any director appointed under paragraph 12.1.1 shall hold office only until the following annual general meeting and shall then retire, but shall be eligible for appointment at that meeting.

Resolution 3: Pursuant to the Companies Act 2001, the auditors will be re-appointed by a resolution of the Shareholders. The Audit and Risk Committee has assessed and is satisfied with the suitability of the audit firm and designated audit partner for appointment.

Resolution 4: Pursuant to the Companies Act 2001, where the auditor is appointed at a meeting of the Company, the fees and expenses of an auditor of a company shall be fixed by the Company at the meeting or in such manner as the Company may determine at the meeting.

Resolution 5: The Companies Act 2001 requires the remuneration of the non-executive directors to be approved by a resolution of Shareholders. It is noted that the remuneration remains unchanged from 2017.

Resolution 6: Shareholders' authority is required for the directors to issue shares to investors. The directors consider that this authority should be sought in respect of such number of shares as have been approved to be issued by the Stock Exchange of Mauritius on 30 May 2017, such authority to expire at the annual general meeting of the Company to be held in 2019.

NOTICE OF ANNUAL GENERAL MEETING *continued*

Resolution 7: In terms of the JSE Listings Requirements, shareholder authority is required for directors to issue shares for cash to investors. As a company with a primary listing on the AltX of the JSE, such authority, if granted, allows the Company to issue up to 50% of its issued share capital, subject to the limitations set out in the resolution. The authority shall expire at the annual general meeting to be held in 2019.

Resolutions 8 – 9: In terms of the JSE Listings Requirements and pursuant to the practices of the King IV Code, the Company hereby tables the remuneration policy and the remuneration implementation report for a non-binding, advisory vote of shareholders in order to promote fair, responsible and transparent remuneration. Should Resolutions 8 and 9 be voted against by 25% or more of the voting rights exercised, the Board undertakes to engage with the dissenting shareholders to ascertain the reasons therefor and to address legitimate and reasonable objections and concerns.

Resolution 10: Paragraph 4.6 of the Constitution of the Company requires shares to be offered to existing Members *pro rata* to their respective shareholdings in the Company, unless the Members by special resolution and the board by resolution otherwise direct. Accordingly, the directors consider that it is in the best interests of the Company to seek authority of the Members to waive pre-emption rights. Such authority will apply for a period expiring at the Annual General Meeting to be held in 2019.

RECOMMENDATIONS

The directors consider that the passing of Resolutions 1 to 10 is in the best interests of the Company and its shareholders as a whole and accordingly recommend that you vote in favour of all the resolutions to be proposed at this year's Annual General Meeting.

NEW FRONTIER PROPERTIES

NEW FRONTIER PROPERTIES LTD

(Incorporated in the Republic of Mauritius)
(Registration number 123368C1/GBL)
Having its registered address at
B45 Twenty-Foot Road, 5th Floor, La Croisette, Grand Baie, Mauritius
SEM share code: NFP.N0000
JSE share code: NFP ISIN: MU0453N00004
("New Frontier" or "the Company")

FORM OF PROXY – ANNUAL GENERAL MEETING

For use by shareholders of the Company holding certified shares and/or dematerialised shareholders who have elected "own-name" registration, nominee companies of CSDPs, CDSs and brokers' nominee companies, registered as such at the close of business on 16 February 2018 (the "voting record date"), at the Annual General Meeting to be held at 2nd Floor, 86 Brook Street, London, W1K 5AY, United Kingdom on 26 February 2018 at 10:00 UK time (the "Annual General Meeting") or postponement or adjournment thereof.

If you are a dematerialised shareholder, other than with "own-name" registration, do not use this form. Dematerialised shareholders, other than with "own-name" registration should provide instructions to their appointed CSDP, CDS or broker in the form as stipulated in the agreement entered into between the shareholder and the CSDP, CDS or broker.

I/We (NAME IN BLOCK LETTERS) _____

Of (ADDRESS) _____

being the registered holder of _____ shares, hereby appoint

- 1) _____ or failing him/her,
- 2) _____ or failing him/her,
- 3) the chairperson of the Annual General Meeting

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company and at any adjournment or postponement thereof.

Please indicate with an "X" in the appropriate spaces how you wish your votes to be cast. Unless this is done the proxy will vote as he/she thinks fit.

Resolutions

Please mark "X" to indicate how you wish to vote

Ordinary Resolutions		For	Against	Vote Withheld
1	To receive and adopt the audited annual financial statements for the period ended 31 August 2017, together with the directors' report and independent auditor's report thereon			
2.1	To re-elect Sisa Ngebulana as a director			
2.2	To re-elect Andile Mazwai as a director			
2.3	To re-elect Michael Riley as a director			
2.4	To re-elect Nigel Gurkin as a director			
2.5	To re-elect Marelise De Lange as a director			
2.6	To re-elect Daniel Romburgh as a director			
2.7	To re-elect Tinesh Ramprasad as a director			
2.8	To re-elect William Heaney as a director			
2.9	To re-elect Richard Thomas as a director			
3	To re-appoint BDO & Co as auditors			
4	To approve the remuneration of the auditors			
5	To approve the remuneration of non-executive directors			
6	To authorise the Board to issue shares			
7	To grant the Board a general authority to issue shares for cash			
8	To approve the remuneration policy by way of a non-binding advisory vote			
9	To approve the remuneration implementation report by way of a non-binding advisory vote			
10	Special resolution: Waiver of pre-emptive rights			

Signature: _____ Date: _____

FORM OF PROXY *continued*

Notes

1. Every shareholder has the right to appoint some other person(s) of their choice, who need not be a shareholder as his proxy to exercise all or any of his rights, to attend, speak and vote on their behalf at the meeting. If you wish to appoint a person other than the Chairman, please insert the name of your chosen proxy holder in the space provided (see over). If the proxy is being appointed in relation to less than your full voting entitlement, please enter the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account).
2. To appoint more than one proxy you may photocopy this form. Please indicate the proxy holder's name and the number of shares in relation to which they are authorised to act as your proxy (which, in aggregate, should not exceed the number of shares held by you). Please also indicate if the proxy instruction is one of multiple instructions being given. All forms must be signed and should be returned together in the same envelope.
3. The "**Vote Withheld**" option is provided to enable you to abstain on any particular resolution. However, it should be noted that a "**Vote Withheld**" is not a vote in law and will not be counted in the calculation of the proportion of the votes "**For**" and "**Against**" a resolution.
4. Entitlement to attend and vote at the meeting and the number of votes which may be cast thereat will be determined by reference to the Register of Members of the Company on 16 February 2018. Changes to entries on the Register of Members after that time shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. The completion and return of this form will not preclude a member from attending the meeting and voting in person. If you attend the meeting in person, your proxy appointment will automatically be terminated.
6. The Form of Proxy overleaf must arrive at the Company Secretary, Osiris Corporate Solutions (Mauritius) Ltd at the Company's registered office, B45 Twenty-Foot Road, 5th Floor, La Croisette, Grand Baie, Mauritius, or by email to kevin@ocs.world, accompanied by any Power of attorney under which it is executed (if applicable), no later than 14:00 Mauritian time (12:00 South African time) on 23 February 2018.

DEFINITIONS

“AltX”	the Alternative Exchange of the JSE
“Article 50”	the clause in the EU’s Lisbon Treaty outlining the procedure for any EU member to exit unilaterally which, when invoked, officially declares a country’s intention to leave the EU giving the leaving country two years to negotiate an exit deal
“Asset Management Agreement”	the agreement dated 7 April 2015 (as amended) between the Company and the Asset Manager, in terms of which the Asset Manager will manage the assets of the Company
“Asset Manager” or “Waypoint”	Waypoint New Frontier Ltd, a UK incorporated asset manager, which serves as New Frontier’s asset manager
“Billion Group”	Billion Group Proprietary Ltd, property development and investment Group of companies including Billion Property Group and Billion Residential
“Brexit”	vote in June 2016, in which the electorate voted, by a small majority, to advise the government that the UK should leave the European Union
“CEO”	Chief Executive Officer
“Constitution”	Constitution of the Company dated 5 June 2014 (as amended)
“Directors” or “the Board”	
or “Board of Directors”	the Directors of the Company as set out on pages 12 and 13
“ERV”	Estimated Rental Value
“EU”	European Union
“EUR” or “€”	Euros
“FD”	Financial Director
“FSC”	the Financial Services Commission of Mauritius
“GBLT”	a category one Global Business License issued under the Financial Services Act 2007
“GBP” or “£”	Pounds Sterling
“GDP”	Gross Domestic Product
“GLA”	Gross lettable area, measured in square metres
“IBC”	Inside back cover
“IFRS”	International Financial Reporting Standards
“ICR”	interest cover ratio
“investment strategy”	the investment strategy of the Group as determined by the Board of Directors
“JSE”	JSE Limited (Registration number 2005/022939/06), a company duly registered and incorporated with limited liability under the company laws of South Africa, licensed as an exchange under South Africa’s Financial Markets Act, 2012
“JSE Listings Requirements”	the Listings Requirements as published by the JSE, as amended from time to time
“King IV Report”	King Report on Corporate Governance for South Africa 2016
“LTV”	Loan-to-Value Ratio
“Mauritius”	the Republic of Mauritius
“Mauritian Companies Act”	the Mauritian Companies Act 2001 (Act 15 of 2001) as amended
“MUR” or “Rs”	the Mauritian Rupee
“NAV”	net asset value

DEFINITIONS *continued*

“Property portfolio”	means the immovable properties owned or leased by the Company or its subsidiaries at the date of signature of the property services agreement, together with (1) any other immovable property which may be acquired, directly or indirectly, or leased, and (2) listed or unlisted shares, loans or other interests in companies and other persons or legal structures which own or lease immovable properties, whether owned by the Company or any of its subsidiaries from time to time
“Rebosis”	Rebosis Property Fund Ltd, a REIT listed on the JSE
“REIT”	Real Estate Investment Trust
“SA Companies Act”	the South African Companies Act, 2008 (Act 71 of 2008) as amended
“SEM”	the Stock Exchange of Mauritius Ltd established under the repealed Stock Exchange Act 1988 and now governed by the Securities Act 2005 of Mauritius
“sq ft”	Square foot
“the Board”	The Board of Directors of New Frontier Properties Ltd
“the Company” or “the Group” or “New Frontier”	New Frontier Properties Ltd, incorporated under the law of Mauritius and holding a category one Global Business License issued by the FSC
“the period” or “the period under review”	The period from 1 September 2016 to 31 August 2017
“UK”	United Kingdom
“US\$” or “USD”	United States Dollar
“WAULT”	Weighted average unexpired lease term

SHAREHOLDER INFORMATION

Registration number: C123368C1/GBL

REGISTERED OFFICE

B45 Twenty Foot Road
5th Floor, La Croisette
Grand Baie
Mauritius

UK OFFICE

New Frontier Properties Limited
2nd Floor, 86 Brook Street
London W1K 5AY

COMPANY SECRETARY AND COMPANY ADMINISTRATOR

Osiris Corporate Solutions (Mauritius) Limited
5th Floor, La Croisette
Grand Baie
Mauritius

MAURITIUS BANKERS

Barclays Bank PLC
Sir William Newton Street
Port Louis
Mauritius

SEM AUTHORISED REPRESENTATIVE AND LISTING SPONSOR

LCF Securities Limited
Suite 108, 1st Floor
Moka Business Centre
Mont Ory Road, Moka
Mauritius

AUDITORS

BDO & Co
10 Frère Felix De Valois St
Port Louis
Mauritius

MAURITIUS LEGAL ADVISER

Mardemootoo Solicitors
3rd Floor, Jamaica Building
Port Louis
Mauritius

REGISTRAR AND TRANSFER AGENT (MAURITIUS)

Mauritius Computing Services Limited
18 Edith Cavell Street
Port Louis
Mauritius

JSE SPONSOR

Java Capital Trustees and Sponsors Proprietary Limited
6A Sandown Valley Crescent
Sandown
Sandton
2196
South Africa

SOUTH AFRICAN CORPORATE ADVISER

Java Capital
6A Sandown Valley Crescent
Sandown
Sandton
2196
South Africa

SOUTH AFRICAN TRANSFER SECRETARIES

Link Market Services South Africa Proprietary Limited
13th Floor, Rennie House
19 Ameshoff Street
Braamfontein
South Africa

ASSET MANAGER

Waypoint New Frontier Limited
2nd Floor, 86 Brook Street
London W1K 5AY
United Kingdom

PROPERTY MANAGERS

Eddisons Commercial (Property Management) Limited
Toronto Square
Toronto Street
Leeds LS1 2HJ
United Kingdom
Jones Lang LaSalle Ltd
Styne House
Upper Hatch Street, Dublin 2
Ireland

INDEPENDENT VALUER

Colliers International UK LLP
50 George Street
London W1U 7GA

CORPORATE INFORMATION

REGISTERED OFFICE

B45 Twenty Foot Road
5th Floor, La Croisette
Grand Baie
Mauritius

BUSINESS REGISTRATION NUMBER

123368 C1/GBL

SECRETARY

Osiris Corporate Solutions (Mauritius) Ltd
5th Floor, La Croisette
Grand Baie
Mauritius

AUDITORS

BDO & Co
(Chartered Accountants)
10 Frère Félix de Valois Street
Port Louis
Mauritius

BANKERS

The Barclays Bank PLC
Standard Bank South Africa

LEGAL ADVISERS

Eversheds
3rd Floor, Barkly Wharf
Caudan Waterfont, Port Louis
Mauritius

C&A Law
Suite 1005, Level 11, Alexander House
35, Cybercity, Ebène
Mauritius

ASSET MANAGER

Waypoint New Frontier Ltd
2nd Floor, 86 Brook Street
London
W1K5AY
United Kingdom

VALUER

Colliers International Valuation UK LLP
50 George Street
London
W1U7GA
United Kingdom



