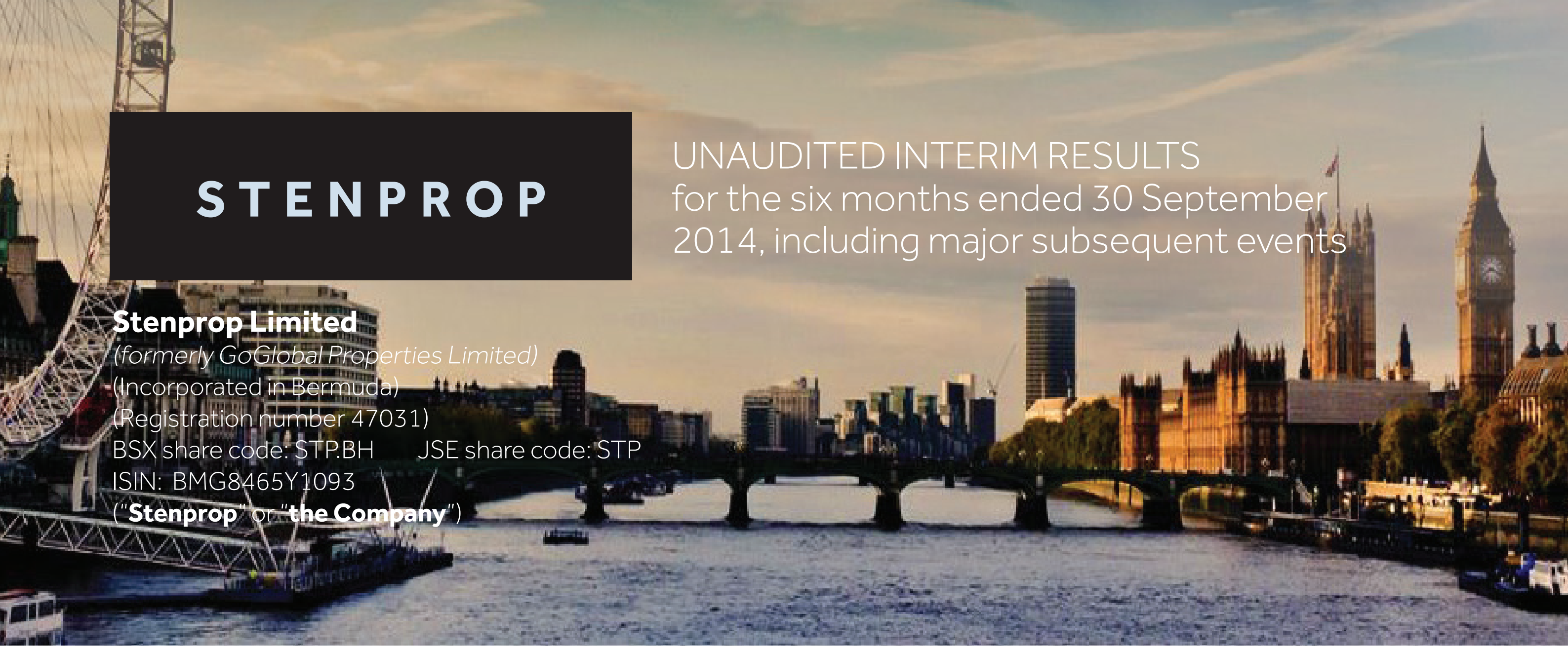

STENPROP

UNAUDITED INTERIM RESULTS
for the six months ended 30 September 2014, including major subsequent events

Stenprop Limited
(formerly GoGlobal Properties Limited)
(Incorporated in Bermuda)
(Registration number 47031)
BSX share code: STP.BH JSE share code: STP
ISIN: BMG8465Y1093
("**Stenprop**" or "**the Company**")

€1.46	**6.6%**	**9.80 cents**	**7.1%**
EPRA NAV PER SHARE	INCREASE IN NAV OVER ISSUE PRICE OF €1.37	*PRO FORMA* DILUTED ADJUSTED EPRA EARNINGS PER SHARE	*PRO FORMA* EARNINGS YIELD ON ISSUE PRICE

*Stenprop Limited, a Bermuda company (previously called GoGlobal Properties Limited) which holds a primary listing on the Bermuda Stock Exchange and a secondary listing on the Alternative Exchange of the Johannesburg Stock Exchange ("**JSE**"), today announces its results for the six months ended 30 September 2014 ("the reporting date"), and details of events which occurred subsequent to that date.*

HIGHLIGHTS

- Profit after tax of £1,793,732 for the six months to 30 September 2014 compared with a loss for the same period last year of £13,872, delivering Adjusted EPRA earnings per share[1] of 9.30 pence. These earnings only include the results for the eight properties acquired by Stenprop on 25 March 2014 ("the existing properties") and are expressed in pounds sterling since the presentation and functional currency only changed to Euros (EUR or €) after the reporting date.
- Completion on 1 October 2014 of the acquisition of various property companies which collectively have an interest in 45 buildings in Germany, Switzerland and the United Kingdom ("the acquired properties") with a gross value on the date of completion of €683.5 million[2], in return for 218,794,917 Stenprop shares issued at €1.37 per share.
- Completion on 2 October 2014 of the acquisition of the management company of the acquired properties, as well as the management company of the existing properties, in return for 14,121,892 Stenprop shares issued at €1.37 per share, resulting in full internalisation of management.
- EUR *pro forma* diluted Adjusted EPRA EPS ("*pro forma*" means calculated as if the purchase of the property companies had completed at the start of the period under review) of 9.80 cents, equating to a 7.1% earnings yield on the issue price of €1.37 per share.
- *Pro forma* EPRA net asset value on 2 October 2014 of €1.46 per share after accounting for the net gain on acquisition arising from the internalisation of management and the uplift in value of the various property companies acquired.
- Board and management team strengthened with the appointment of Paul Arenson as CEO, Patsy Watson as CFO and Neil Marais as executive director following completion of the acquisitions.

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[1] *'EPS' means earnings per share.*
[2] *Includes Stenprop's share of properties owned by associate and joint venture investments.*

Commentary

General information

Stenprop was incorporated in Bermuda on 26 October 2012. It was listed on the Bermuda Stock Exchange on 15 March 2013 and, following approval from the South African Reserve Bank, it concluded an inward listing on the Alternative Exchange of the Johannesburg Stock Exchange on 29 April 2013. Formerly known as GoGlobal Properties Limited, it changed its name to Stenprop Limited on 9 October 2014. The functional and presentation currency of Stenprop and its subsidiaries ("the Group") has been redenominated from GBP to Euro (EUR) from 2 October 2014.

Investment strategy

Stenprop currently focuses on property investment in the United Kingdom, Germany and Switzerland. It does not intend to pursue development exposure other than value add asset management and related development of existing assets to protect and improve capital values. It intends to distribute most of its earnings which are available for distribution on a bi-annual basis.

Performance

The earnings for the period to 30 September 2014 only include the results for the eight properties acquired by Stenprop on 25 March 2014. Profit after tax was £1,793,732 compared with a loss of £13,872 for the same six-month period last year, as a result of the acquisition of the eight properties.

Acquisitions subsequent to 30 September 2014

Shareholders are referred to the announcements released on 7 August 2014 and 2 October 2014 setting out the details of the following acquisitions:

- various property companies which collectively have an interest in 45 properties in Germany, Switzerland and the United Kingdom (the 'property companies');
- the Stenham Property management business;
- various cash holding entities; and
- the external investment manager, Apex Hi (UK) Limited.

The total purchase consideration for the acquisition of the property companies was calculated with reference to the net asset value of the property companies as at 31 March 2014 and amounted to €281.0 million. The purchase consideration for the Stenham Property management business was €15.6 million and the purchase consideration for Apex Hi (UK) Limited was €3.8 million. The purchase consideration for the cash holding subsidiaries was €18.4 million.

The purchase consideration for the acquisitions was funded by the issue of 232,916,809 new Stenprop ordinary shares to the value of €318,791,449 on the Bermuda Stock Exchange at an issue price of €1.37 per share, which was the Euro equivalent of the net asset value per share of Stenprop as at 31 March 2014.

Deferred consideration in relation to the acquisition of the Stenham Property management business is estimated to be €1,444,969 and relates to the vendor's right to receive a share of pre-existing exit and performance fees on certain assets managed by the acquired business on behalf of third parties.

The acquisition of the management companies was contingent on the completion of the purchase of the property companies and was therefore considered a linked transaction in terms of IFRS 3: Business combinations. From a Group perspective, the fair value of the combined identifiable net assets on acquisition date exceeded the summation of the consideration and no goodwill has been recognised.

Following the completion of the acquisition of the property companies on 1 October 2014, Stenprop has an interest in 53 properties valued at €720 million[3] with 39% in the United Kingdom, 41% in Germany and 20% in Switzerland (by value). The portfolio, which has a gross lettable area of approximately 230,000[3] m^2 and net annual rent of €41 million[3], is predominantly in the office and retail sectors which account for 47% and 37% of rental income respectively.

Top five properties by value following completion of the acquisitions on 1 October 2014

Property	Market value (€'million)	Ownership interest %	Sector	Lettable area (m^2)	Annualised gross rental (Stenprop share) (€'million)	Let by area (%)	Weighted average unexpired lease term (years)
Pilgrim Street, London	95.5	100	Office	9,668	5.41	100.0	6.6
Euston House, London	81.7	100	Office	9,947	3.64	84.5	4.3
Chiswell Street, London	55.9	100	Office	7,039	3.02	100.0	1.7
Nova Eventis, Leipzig	279.7	28.1	Retail	96,403	5.96	98.6	3.4
Bleichenhof, Hamburg	119.4	94.9	Mixed use	20,041	5.97	98.3	5.0

[3]Includes the eight properties acquired by Stenprop on 25 March 2013 and Stenprop's share of the properties held within the associate and joint venture investments.

The net asset value of the investment in these five properties accounts for 60 % of the total IFRS net asset value. The net asset value of the investment in the three Central London properties accounts for 40% of the total IFRS net asset value.

Financial review

Earnings

The earnings for the period to 30 September 2014 only include the results for the eight properties acquired by Stenprop on 25 March 2014. They are expressed in GBP. Basic earnings attributable to shareholders was £1,793,732 (Headline earnings: £743,732) compared with a basic and Headline loss of £13,872 for the same six-month period last year, delivering a basic EPS of 22.40 pence and Headline EPS of 9.30 pence (30 September 2013: basic and Headline loss per share of 10.02 pence).

Whilst the completion date of the acquisition by Stenprop of the various property companies was 1 October 2014, which is when all material conditions were met, the transaction was effective from 1 April 2014, which is the date at which the price of the property companies was determined. All trading results for the six months from 1 April 2014 in the property companies, and any changes in values, were therefore for the benefit of Stenprop. As a result, the fair value of the net assets acquired was greater than the consideration paid and hence this has been recorded as a Gain on Acquisition in the *pro forma* consolidated statement of comprehensive income on the acquisition date. In order to provide more transparency on the performance of the acquired properties and to provide a more comprehensive view of the composition of the Gain on Acquisition, a *pro forma* condensed consolidated statement of comprehensive income in EUR for the six-month period to 2 October 2014, being the date on which the acquisition of the various property companies and the management companies completed, has been presented.

Earnings per share is calculated on the weighted average number of shares in issue and the profit/(loss) attributable to shareholders.

The EUR *pro forma* basic earnings attributable to ordinary shareholders for the six-month period to 2 October 2014 are €9,189,237, after accounting for the net gain on acquisition arising from the internalisation of management and the uplift in value of the various property companies acquired. This equates to a basic EPS of 7.38 cents. The earnings for the two days between the reporting date (30 September 2014) and 2 October 2014 have not been included as they are considered immaterial. The EUR *pro forma* Headline earnings are €11,165,017 equating to a Headline diluted EPS of 8.96 cents.

In accordance with reporting standards widely adopted across the real estate industry in Europe, the board of directors feels it appropriate and useful, in addition to providing the IFRS disclosed earnings, to also disclose EPRA earnings[4].

Pro forma adjusted EPRA earnings attributable to shareholders are €12,210.651, equating to a *pro forma* Adjusted EPRA diluted EPS of 9.80 cents. This represents a 7.1% yield on the issue price of €1.37.

Stenprop's policy is to distribute the majority of its earnings available for distribution in the form of bi-annual dividends. It intends to declare its first dividend in the second quarter of 2015, relating to the six months to 31 March 2015, being the first period of trading following the acquisitions.

Net assets

The net asset value ("NAV") at 30 September 2014 only includes the eight properties acquired by Stenprop on 25 March 2014, expressed in GBP. The property portfolio owned by Stenprop prior to the acquisition was valued by Jones Lang La Salle ("JLL") at time of acquisition and again at the reporting date. As at 30 September 2014, JLL valued the properties at £28.5 million (March 2014: £27.5million). IFRS (basic and diluted) NAV per share (in GBP) at 30 September 2014 is £1.20 (30 September 2013: £0.85 per share).

The *pro forma* (basic and diluted) IFRS NAV per share after completion of the acquisitions at 2 October 2014 was €1.41.

As is the case with regard to the disclosure of EPRA earnings the board of directors feels that it is appropriate and useful, in addition to IFRS NAV, to also disclose EPRA NAV[5]. The diluted EPRA NAV per share (in GBP) at 30 September 2014 is £1.21 (30 September 2013: £0.85 per share).

The *pro forma* diluted EPRA NAV per share (in EUR) at 2 October 2014 after completion of the acquisitions is €1.46, which includes the net gain on acquisition arising from the internalisation of management and uplift in value of the various property companies acquired. This compares with the issue price of €1.37 per share at which the consideration shares were issued, representing a 6.6% uplift in value.

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[4]The European Public Real Estate Association (EPRA) issued Best Practices Policy Recommendations in August 2011, which provide guidelines for performance measures relevant to real estate companies. Their recommended reporting standards are widely applied across this market, aiming to bring consistency and transparency to the sector. The EPRA earnings measure is intended to show the level of recurring earnings from core operational activities with the purpose of highlighting a Group's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings. The measure excludes unrealised changes in the value of investment properties, gains or losses on the disposal of properties and other items that do not provide an accurate picture of the Group's underlying operational performance. The measure is considered to accurately capture the long term strategy of the Group, and is an indication of the sustainability of dividend payments.

[5]The objective of the EPRA NAV measure is to highlight the fair value of net assets on an ongoing, long-term basis. EPRA NAV is used as a reporting measure to better reflect underlying net asset value attributable to shareholders. Assets and liabilities that are not expected to crystallise in normal circumstances such as the fair value of financial derivatives and deferred taxes on property valuation surpluses are therefore excluded. The EPRA measure thus takes into account the fair value of assets and liabilities as at the balance sheet date, other than fair value adjustments to financial instruments, deferred tax and goodwill. As the group has adopted fair value accounting for investment property per IAS40, adjustments to reflect the EPRA NAV include only those relating to the revaluation of financial instruments and deferred tax.

Net debt

Stenprop's loan to value ratio ("LTV") on 30 September 2014 before the acquisitions was 36% (31 March 2014: 37.8%). Following completion of the acquisitions on 2 October, the LTV was 54.6%. This has declined from the estimated LTV of 56.7%[6] at the effective date of the acquisitions as a result of amortisation of loans and an increase in values. Stenprop is targeting an LTV of no more than 50%. The net debt to value ratio, being net liabilities over total property value at 2 October 2014 is 47.8%.

The all-in contracted weighted average cost of debt is 3.06%. After taking into account the amortisation of the swap contract liabilities acquired by Stenprop as part of the acquisition of the various property companies, the effective weighted average cost of debt is 2.3%.

Stenprop does not take speculative positions on interest rate contracts and generally takes interest rate hedges on all of its debt.

The weighted average duration to expiry of the current debt packages is 2.18 years from 30 September 2014, and includes amortisation payments of €9.8 million per annum. Stenprop is currently in discussions with the lenders on the Swiss properties to reduce gearing, remove amortisation and extend the debt from maturity in 2017 for up to a further four years to 2021. It is intended that all new debt will be taken on a non-amortising basis.

Prospects

Should current economic conditions prevail, net operating income for the next six months is expected to be broadly similar to that reflected in the *pro forma* income statement for the first six months to 2 October 2014. This general forecast has not been reported on by the external auditors.

Changes to the board

Upon completion of the acquisition of the property companies and management companies on 1 and 2 October 2014 respectively, Paul Arenson was appointed CEO of Stenprop, Patsy Watson was appointed CFO and Neil Marais was appointed executive director. All were key members of the management team of Stenham Property, the management company acquired by Stenprop, and have strong track records in the real estate environment. Michael Fienberg and Stephen Ball were appointed as independent non-executive directors on 2 October 2014, both of whom previously served on the boards of the various entities which owned the acquired properties.

Gerald Leissner remains as non-executive Chairman of the board, and James Keyes and David Brown remain as non-executive directors. Sean Melnick, David Smith, Hennie Esterhuizen and Cobus Josling all resigned from the board on 2 October 2014.

On 10 December 2014 Mandy Yachad was appointed to the board as a non-executive director.

[6] *(being the ratio disclosed in the circulars sent to shareholders of the vendors of the property companies and based on the pro forma balance sheet contained therein).*

Independent review report to Stenprop Limited

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 which comprises the consolidated income statement, the consolidated balance sheet, the consolidated statement of financial position, statement of changes in equity, the cash flow statement and related notes 1 to 13. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report.

As disclosed in note 1, the annual financial statements of the group are prepared in accordance with International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting,".

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2014 is not prepared, in all material respects, in accordance with International Accounting Standard 34.

Deloitte LLP

Chartered Accountants and Statutory Auditor

St Peter Port, Guernsey

10 December 2014

Condensed consolidated statement of comprehensive income

	Notes	IFRS Unaudited for the six-month period ending 30/9/2014 £	IFRS Unaudited for the six-month period ending 30/9/2013 £	IFRS Audited for the period ended 31/3/2014 £	IFRS Unaudited for the six-month period ending 2/10/2014 EUR	*Pro forma** Unaudited for the six-month period ending 2/10/2014 EUR
Net rental income	2	1,371,599	–	45,052	1,704,899	16,381,698
Management fee income		–	–	–	–	67,049
Operating costs	3	(289,455)	(30,042)	(91,168)	(359,795)	(2,601,659)
Net operating income/(loss)		**1,082,144**	**(30,042)**	**(46,116)**	**1,345,104**	**13,847,088**
Fair value movement on investment properties	4	1,050,000	–	–	1,305,150	12,496,648
Reversal of provision for selling costs	4	–	–	–	–	5,612,458
Income from associates	5	–	–	–	–	1,160,970
Fair value movement in joint venture	6	–	–	–	–	1,108,348
Impairment of goodwill	13	–	–	(8,038)	–	(19,374,000)
Profit from operations		**2,132,144**	**(30,042)**	**(54,154)**	**2,650,254**	**14,851,512**
Gain on acquisition	13	–	–	–	9,656,861	–
Other gains and losses		12,030	16,170	39,937	14,954	23,281
Net gain from fair value of financial liabilities		–	–	–	–	213,781
Net finance costs		(224,682)	–	(10,164)	(279,278)	(5,050,782)
Profit/(loss) for the period before taxation		**1,919,492**	**(13,872)**	**(24,381)**	**12,042,791**	**10,037,792**
Taxation		(125,760)	–	(6,543)	(156,320)	(773,914)
Profit/(loss) for the period after taxation		**1,793,732**	**(13,872)**	**(30,924)**	**11,886,471**	**9,263,878**
Profit/(loss) attributable to:						
Equity holders		1,793,732	(13,872)	(30,924)	11,886,471	9,189,237
Non-controlling interest		–	–	–	–	74,641
Other comprehensive income:						
Fair value movement on interest rate swaps		10,490	–	3,719	13,427	13,427
Foreign currency translation reserve		–	–	–	–	2,647,841
Total comprehensive profit/(loss) for the period		**1,804,222**	**(13,872)**	**(27,205)**	**11,899,898**	**11,925,146**
Total comprehensive profit/(loss) attributable to:						
Equity holders		**1,804,222**	**(13,872)**	**(27,205)**	**11,899,898**	**11,899,898**
Non-controlling interest		–	–	–	–	25,248
Earnings per share		**pence**	**pence**	**pence**	**cents**	**cents**
IFRS EPS	7	22.44	(10.02)	(5.80)	9.55	7.38
IFRS Diluted EPS	7	22.44	(10.02)	(5.80)	9.54	7.38
Adjusted EPRA EPS	7	9.30	(10.02)	(5.80)	1.77	9.81
Adjusted EPRA Diluted EPS	7	9.30	(10.02)	(5.80)	1.76	9.80
Headline EPS	7	9.30	(10.02)	(4.29)	0.74	8.97
Headline Diluted EPS	7	9.30	(10.02)	(4.29)	0.74	8.96

The accompanying notes form an integral part of these condensed interim financial statements.

**Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

Consolidated statements of financial position

	Notes	IFRS Unaudited 30/9/2014 £	IFRS Unaudited 30/9/2013 £	IFRS Audited 31/3/2014 £	*Pro forma** Unaudited 2/10/2014 EUR
ASSETS					
Investment properties	4	28,550,000	–	27,500,000	614,089,164
Investment in associates	5	–	–	–	35,113,357
Investment in listed securities		245,466	216,767	236,766	314,196
Investment in joint venture	6	–	–	–	8,947,650
Property, plant and equipment		–	–	–	9,801
Total non current assets		**28,795,466**	**216,767**	**27,736,766**	**658,474,168**
Cash		1,778,344	273,443	1,380,526	44,532,483
Accounts receivable		143,213	–	212,931	2,944,198
Other debtors		20,643	–	–	546,559
Prepayments		58,500	895	–	410,637
Total current assets		**2,000,700**	**274,338**	**1,593,457**	**48,433,877**
Total assets		**30,796,166**	**491,105**	**29,330,223**	**706,908,045**
Equity and liabilities					
Capital and reserves					
Share capital	8	16	1	16	319
Share premium	8	17,432,936	439,999	17,460,730	339,898,351
Retained earnings		1,839,428	(13,872)	(30,924)	11,944,962
Profit and loss for the period		1,839,428	(13,872)	(30,924)	2,288,101
Profit and loss – Gain on acquisition		–	–	–	9,656,861
Hedging and translation reserve		–	–	–	66,368
Cash flow hedge reserve		(62,411)	–	3,719	(79,886)
Total equity attributable to equity shareholders		19,209,969	426,128	17,433,541	351,830,114
Non-controlling Interest		–	–	–	1,749,801
Total equity		**19,209,969**	**426,128**	**17,433,541**	**353,579,915**
Non-current liabilities					
Bank loans	9	10,364,606	–	10,400,000	326,909,275
Derivative financial instruments		62,411	–	72,901	4,544,753
Other loan and interest		–	–	–	22,093
Total non-current liabilities		**10,427,017**	**–**	**10,472,901**	**331,476,121**
Current liabilities					
Deferred tax		–	–	–	6,532,235
Accounts payable and accruals		1,159,180	64,977	1,423,781	15,319,774
Total current liabilities		**1,159,180**	**64,977**	**1,423,781**	**21,852,009**
Total liabilities		**11,586,197**	**64,977**	**11,896,682**	**353,328,130**
Total equity and liabilities		**30,796,166**	**491,105**	**29,330,223**	**706,908,045**
IFRS net asset value per share	7	1.20	0.85	1.09	1.41
EPRA net asset value per share	7	1.21	0.85	1.10	1.46

The accompanying notes form an integral part of these condensed interim financial statements.
**Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

The condensed consolidated interim financial statements were approved by the Board of Directors on 10 December 2014.

Condensed consolidated statement of changes in equity

	Share capital £	Share premium £	Cash flow hedge reserve £	Retained surplus £	Attributable to owners of the company £
Balance at 1 April 2014	16	17,460,730	3,719	(30,924)	17,433,541
Novation of swap contract	–	–	(76,620)	76,620	–
Acquisition/transaction costs	–	(27,794)	–	–	(27,794)
Total comprehensive profit for the period	–	–	10,490	1,793,732	1,804,222
Balance at 30 September 2014	**16**	**17,432,936**	**(62,411)**	**1,839,428**	**19,209,969**

	Share capital £	Share premium £	Cash flow hedge reserve £	Retained deficit £	Attributable to owners of the company £
Balance at 26 October 2012	–	–	–	–	–
Issue of share capital	1	499,999	–	–	500,000
Listing costs	–	(60,000)	–	–	(60,000)
Total comprehensive income for the period	–	–	–	(13,872)	(13,872)
Ordinary dividends paid	–	–	–	–	–
Balance at 30 September 2013	**1**	**439,999**	**–**	**(13,872)**	**426,128**

	Share capital £	Share premium £	Cash flow hedge reserve £	Retained deficit £	Attributable to owners of the company £
Balance at 26 October 2012	–	–	–	–	–
Issue of share capital	16	17,534,587	–	–	17,534,603
Share issue and listing costs	–	(73,857)	–	–	(73,857)
Total comprehensive loss for the period	–	–	3,719	(30,924)	(27,205)
Balance at 31 March 2014	**16**	**17,460,730**	**3,719**	**(30,924)**	**17,433,541**

The accompanying notes form an integral part of these condensed interim financial statements.

Condensed consolidated statement of cash flows

	IFRS Unaudited 30/9/2014 £	IFRS Unaudited 30/9/2013 £	IFRS Audited 31/3/2014 £	*Pro forma** Unaudited 2/10/2014 EUR
Operating activities				
Operating profit/(loss)	2,132,144	(30,042)	(54,154)	2,650,254
Impairment of goodwill	–	–	8,038	–
Increase in fair value of investment property	(1,050,000)	–	–	(1,305,150)
Increase in trade and other receivables	(12,394)	(895)	(42,855)	(15,864)
Increase/(decrease) in trade and other payables	(310,852)	11,606	166,135	(357,851)
Interest paid	(193,503)	–	–	(247,684)
Interest received	829	–	191	1,061
Tax paid	(8,719)	–	–	(11,160)
Net cash from operating activities	**557,505**	**(19,331)**	**77,355**	**713,606**
Investing activities				
Dividends received from trading activities	6,299	8,162	8,961	8,063
Purchases of trading investments	–	(208,759)	(208,759)	–
Cash obtained on acquisitions	–	–	1,016,287	42,256,201
Net cash used in investing activities	**6,299**	**(200,597)**	**816,489**	**42,264,264**
Financing activities				
Proceeds on issue of ordinary share capital	–	500,000	500,000	
Listing costs paid	(88,333)	(6,629)	(13,318)	(113,066)
Financing fees	(43,265)	–	–	(55,377)
Unutilised facility fee paid	(34,388)	–	–	(44,017)
Net cash from financing activities	**(165,986)**	**493,371**	**486,682**	**(212,460)**
Cash and cash equivalents at beginning of the period	1,380,526	–	–	1,767,073
Net increase in cash and cash equivalents	397,818	273,443	1,380,526	42,765,410
Cash and cash equivalents at end of the period	**1,778,344**	**273,443**	**1,380,526**	**44,532,483**

**Readers are referred to note 1 where the basis of preparation of the pro forma information is explained. Material non-cash flow transactions which occurred on acquisition included the issue of 232,916,798 shares in consideration for the purchase of various property and management companies.*

Notes to the condensed consolidated interim financial statements

1. Basis of preparation

Statement of compliance

The IFRS unaudited condensed interim financial results (hereafter the 'IFRS statements') for the six months ended 30 September 2014 have been prepared in accordance with the recognition and measurement criteria of the International Financial Reporting Standards ('IFRS') and its interpretations adopted by the International Accounting Standards Board ('IAB'), specifically IAS34 "Interim Financial Reporting" and the listing requirements of the Bermuda Stock Exchange and the Johannesburg Stock Exchange as applicable.

Pro forma financial information

In the interests of consistency in those areas of reporting that are seen to be of most relevance to investors and of providing a meaningful basis of comparison for users of the financial information, the Group has prepared an unaudited *pro forma* statement of comprehensive income for the six months ended 2 October 2014, and an unaudited statement of financial position and statement of cash flows at 2 October 2014, being the date by which completion of the acquisition of the various property and management companies had occurred. The *pro forma* statement of cash flows represents the Group's cash flows for the period, and takes into account the cash obtained on acquisition. The *pro forma* statements, which are denominated in EUR, are for illustration purposes only and may not fairly represent the Group's financial position, changes in equity, results of operations, or cash flows.

The main difference between the *pro forma* statement of comprehensive income and the IFRS statement is that the *pro forma* statement of income has been prepared as if completion of the acquisition of the property owning companies had taken place on 1 April 2014, which was the effective date on which risk and reward passed to Stenprop in the purchase of the various property companies, while the IFRS statements use the completion date of the acquisition (date that control passes), being 1 October 2014, to account for these investments.

The *pro forma* statement of comprehensive income therefore separately shows trading profits, property revaluations and other adjustments for the six-month financial period ended 30 September 2014. In addition, the *pro forma* statement of comprehensive income discloses the notional goodwill arising on the purchase of the management companies, the gain arising on the purchase of the property companies (which under IFRS is treated as one linked transaction), and the recognition of the amount of the deferred consideration which is reasonably expected to become payable.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended 31 March 2014.

Significant accounting policies

The accounting policies applied by the Group in these consolidated interim financial statements are the same as those applied by the Group in its audited consolidated financial statements as at 31 March 2014, except for the new standards adopted during the period.

New standards adopted during the period

In the current period the following new and revised Standards and Interpretations have been adopted:

- IFRS 10 Investment entities: exemption from consolidation requirements;
- IAS 32 Offsetting financial assets and financial liabilities;
- IAS 36 Recoverable amount disclosure for non-financial assets;
- IAS 39 Novation of derivatives and continuation of hedge accounting; and
- IFRIC 2 Levies.

At the date of authorisation of these financial statements, the following standards and interpretations which have not been applied to these financial statements were in issue but not yet effective. They are effective for periods commencing on or after the disclosed date:

- IFRS 9 Financial instruments: classification and measurement (no mandatory effective date); and
- IAS 9 Defined benefit plans: employee contributions (1 July 2014).

In addition the IASB completed its annual improvements to IFRS 2010 – 2012 cycle and 2011 – 2013 cycle, which have amended a number of existing standards commencing on or after 1 July 2014.

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in the future period.

Arising from the adoption as set out above and the changes in the business in the period, the following are the revised accounting policies applicable in the period:

Share-based payments

Share options have been granted to key management as as part of the acquisition of the management companies. The cost of equity settled transactions is measured with reference to the fair value at the date at which they were granted. The Group accounts for the fair value of these options at grant date over the vesting period in the income statement, with a corresponding increase to the share-based payment reserve.

1. Basis of preparation (continued)

Joint ventures

The Group's investment properties are typically held in property specific special purpose vehicles ("SPVs"), which may be legally structured as a joint venture. In assessing whether a particular SPV is accounted for as a subsidiary or joint venture, the Group considers all of the contractual terms of the arrangement, including the extent to which the responsibilities and parameters of the venture are determined in advance of the joint venture agreement being agreed between the two parties. The Group will then consider whether it has the power to govern the financial and operating policies of the SPV, so as to obtain benefits from its activities, and the existence of any legal disputes or challenges to this control in order to conclude on the classification of the SPV as a joint venture or subsidiary undertaking. The Group considers this position with the evidence available at the time.

The consolidated financial statements account for interests in joint ventures using the equity method of accounting per IFRS 11. Any premium paid for an interest in a jointly controlled entity above fair value of identifiable assets, liabilities and contingent liabilities is accounted for in accordance with the goodwill accounting policy.

Dividends

Dividends to the Company's shareholders are recognised when they become legally payable. In the case of interim dividends, this is when paid. In the case of final dividends, this is when approved by the board.

Associates

Associates are accounted for under the equity method, whereby the consolidated balance sheet incorporates the Group's share (investor's share) of the net assets of its associates. The consolidated income statement incorporates the Group's share of associate profits after tax.

Judgements and estimates

The preparation of the condensed consolidated interim financial statements requires the use of judgements and estimates that affect the reported amounts of assets and liabilities at the reporting date and the reported amounts of revenues and expenses reported during the period. Although these estimates are based on the directors' best knowledge of the amount, event or actions, actual results may differ from those estimates.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Business combinations:

In accounting for the Transaction, being the acquisition of the property companies and management companies detailed in note 13, the directors have been required to make a number of key judgements, namely the acquisition date for the transaction, whether to account for the transaction as separate individual transactions or as one transaction, the fair value of assets and liabilities acquired, and the fair value of actual and deferred consideration.

Having reviewed the characteristics of the Transaction, this has been accounted for as one transaction as the directors consider that the components of the Transaction are part of a linked transaction in creating an integrated property business with fully internalised management, business systems and strategic objectives. The acquired assets were selected in order to fulfil a total return strategy for the business, comprising both dividend yield and growth in value, and are viewed by management and the board as one business delivering returns from a European portfolio of commercial properties. The fair value of assets and liabilities acquired and the fair value of consideration are shown in note 13.

Investment properties

The preparation of the financial statements requires management to make estimates affecting the reported amounts of assets and liabilities, of revenues and expenses, and of gains and losses. As described below, the Group's investment properties are stated at estimated fair value, based on an independent external appraisal. The valuation of the Group's property portfolio is inherently subjective due to a number of factors including the individual nature of the property, its location and the expectation of future rentals. As a result, the valuations placed on the property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions that may not prove to be accurate particularly in times of volatility or low transaction flow in the market.

The estimated market value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. As a result, if the assumptions prove to be different, actual results of operations and realisation of net assets could differ from the estimates set forth in these financial statements, and the difference could be significant.

2. Net rental income

	IFRS Unaudited for the six-month period ending 30/9/2014 £	IFRS Unaudited for the six-month period ending 30/9/2013 £	IFRS Audited for the period ended 31/3/2014 £	IFRS Unaudited for the six-month period ending 2/10/2014 EUR	*Pro forma** Unaudited for the six-month period ending 2/10/2014 EUR
Rental Income	1,373,774	–	45,053	1,707,601	18,582,386
Other income – tenant recharges	33,253	–	1,072	41,335	1,081,433
Other income	–	–	–	–	104,538
Rental income	1,407,027	–	46,125	1,748,936	19,768,357
Direct property costs	(35,428)	–	(1,073)	(44,037)	(3,386,659)
Total net rental income	1,371,599	–	45,052	1,704,899	16,381,698

3. Operating costs

	IFRS Unaudited for the six-month period ending 30/9/2014 £	IFRS Unaudited for the six-month period ending 30/9/2013 £	IFRS Audited for the period ended 31/3/2014 £	IFRS Unaudited for the six-month period ending 2/10/2014 EUR	*Pro forma** Unaudited for the six-month period ending 2/10/2014 EUR
Significant expenses included in operating costs:					
Tax, legal and professional fees	43,092	30,042	35,669	53,564	392,621
Administration fees (including director emoluments)	62,750	–	38,123	77,999	335,511
Investment advisory fees	175,531	–	5,830	218,185	218,185
Asset management fees*	–	–	–	–	1,632,832

** Asset management fees were paid for the six months from 1 April 2014. With effect from 2 October 2014, management was internalised and no further asset management fees are payable by Stenprop . Stenprop will therefore bear the direct costs of management.*

4. Investment property

The property portfolio owned by the Group prior to the acquisition was valued by Jones Lang La Salle ("JLL") at time of acquisition and again at the reporting date. As at 30 September 2014, the fair value of the consolidated investment properties was £28.55 million (March 2014: £27.5 million).

The fair value of each of the properties for the year ended 31 March 2014 was assessed by the valuers in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. For the six months ended 30 September 2014, the independent valuers performed a desktop review to update the 31 March 2014 valuations to reflect movements in the market and guidance in IFRS 3.

	IFRS Unaudited 30/9/2014 £	IFRS Unaudited 30/9/2013 £	IFRS Audited 31/3/2014 £	*Pro forma* Unaudited 2/10/2014 EUR
Opening balance	27,500,000	–	–	35,238,850
Properties acquired during the period	–	–	27,500,000	577,545,164
Net fair value gains/losses on investment property	1,050,000	–	–	1,305,150
Closing balance	28,550,000	–	27,500,000	614,089,164

4. Investment property (continued)

On 1 October 2014, the Group, through the purchase of various property companies, completed the acquisition of its investment properties to the value of €577,545,164. The acquisition date of the transactions was 1 October 2014, which is when all material conditions were met. The acquisition was determined with effect from 1 April 2014 and the price of the property companies was determined with reference to the fair values at 31 March 2014. As a result, all trading results for the six months to acquisition date in the property companies, and any changes in values, are for the benefit of the Group. Over the six month period to 2 October 2014 the Group benefited from an uplift in the fair value of the properties to the value of €12,496,648 (including existing properties) and a reversal of the provision for selling costs to the value of €5,612,458 both of which are recognised in gain on acquisition (note 13).

5. Investment in Associate

	Pro forma **Unaudited 2/10/2014 EUR**
Opening balance	–
Share in associate acquired during the period	35,113,357
Closing balance	35,113,357

As detailed in the subsequent event note (note 13), the acquisition of the investment in associate which completed on 1 October 2014 reflects the 28% shareholding acquired in Stenham European Shopping Centre Fund Limited, acquired as part of the purchase of various property companies. The effective date of the acquisition was 1 April 2014 at which date the fair value of the associate was determined for purposes of the transaction. Over the six-month period to acquisition date, 1 October 2014, the Group benefitted from an uplift in the fair value of the associate to the value of €1,160,970 which is recognised in gain on acquisition (note 13).

6. Investment in joint venture

The joint venture is made up of the following:

	Pro forma **Unaudited 2/10/2014 EUR**
Investment property	33,603,678
Net working capital	890,798
Assets	34,494,476
Bank loans	(24,035,968)
Deferred tax	(151,235)
Financial liability	(1,359,624)
Liabilities	**(25,546,826)**
Net assets excluding loan due to Group	**8,947,650**
Balance and loan due to Group (capital plus accrued interest)	14,073,309
Fair value of loan due to Group/Investment in joint venture	**8,947,650**

On 1 October 2014 Stenprop completed the acquisition of 100% of the shares and shareholder loans in Bernina Property Holdings Limited (Bernina). Bernina in turn owns 50% of the issued share capital and 100% of the shareholder loans of Elysion S.A., a company incorporated in Luxembourg which is the beneficial owner of the Care Home portfolio. The remaining 50% of Elysion S.A. is owned by a joint venture partner who manages the portfolio.

The acquired shareholder loans have attracted, and continue to attract, a 10% compounded interest rate since inception in 2007. The outstanding shareholder loan which is wholly owned by Stenprop has been valued at the recoverable balance which is deemed equal to the net assets of the joint venture excluding the shareholder loan. Over the six-month period to acquisition date, 1 October 2014, the Group benefitted from an uplift in the fair value of the joint venture to the value of €1,108,348 which is recognised in gain on acquisition (note 13).

7. Earnings and net asset value per ordinary share

Earnings per ordinary share

Earnings per share is calculated on the weighted average number of shares in issue and the profit/(loss) attributable to shareholders.

Reconciliation of profit for the period to adjusted EPRA earnings

	Unaudited for the six months ended 30/9/2014 £	Unaudited for the six months ended 30/9/2013 £	Audited period ended 31/3/2014 £	IFRS Unaudited for the six months ended 2/10/2014 EUR	*Pro forma** Unaudited for the six months ended 2/10/2014 EUR
Earnings/(loss) per IFRS income statement attributable to shareholders	1,793,732	(13,872)	(30,924)	11,886,471	9,189,237
Adjustments to calculate EPRA earnings, exclude:					
Changes in fair value of investment properties	(1,050,000)	–	–	(1,305,150)	(12,496,648)
Reversal of provision for selling costs	–	–	–	–	(5,612,458)
Reversal of gain on acquisition	–	–	–	(9,656,861)	19,374,000
Changes in fair value of financial instruments	–	–	–	–	(213,781)
Deferred tax in respect of EPRA adjustments	–	–	–	–	573,550
Adjustments above in respect of non-controlling interests					
Changes in value of investment properties	–	–	–	–	145,775
Deferred tax in respect of EPRA adjustments					(21,866)
EPRA earnings/(loss) attributable to shareholders	743,732	(13,872)	(30,924)	924,460	10,937,809
Further adjustments to arrive at Adjusted EPRA earnings					
Straight-line unwind of purchased swaps	–	–	–	1,272,842	1,272,842
Adjusted earnings/(loss) attributable to shareholders	743,732	(13,872)	(30,924)	2,197,302	12,210,651
Weighted average number of shares in issue[7]	15,986,003	276,897	533,175	248,902,812	248,902,812
Deferred consideration	–	–	–	291,563	291,563
Diluted weighted average number of shares in issue	**15,986,003**	**276,897**	**533,175**	**249,194,375**	**249,194,375**
Earnings per share	**pence**	**pence**	**pence**	**cents**	**cents**
IFRS EPS	22.44	(10.02)	(5.80)	9.55	7.38
IFRS Diluted EPS	22.44	(10.02)	(5.80)	9.54	7.38
EPRA EPS	9.30	(10.02)	(5.80)	0.74	8.79
EPRA Diluted EPS	9.30	(10.02)	(5.80)	0.74	8.78
Adjusted EPRA EPS	9.30	(10.02)	(5.80)	1.77	9.81
Adjusted EPRA Diluted EPS	9.30	(10.02)	(5.80)	1.76	9.80

** Readers are referred to note 1 where the Basis of Preparation of the proforma information is explained.*

A further adjustment of €1,272,842 was made to the EPRA earnings attributable to shareholders and relates to the straight line unwind of the value as at 1 April 2014 of the swap contracts in the property companies acquired. When the property companies were acquired by Stenprop with effect from 1 April 2014, it also acquired the bank loans and swap contracts which were in place within these property companies. As a result, Stenprop took over loans with higher swap interest rates than would have been the case had new loans and swaps been put in place at 1 April 2014. To compensate for this, the value of the swap breaks costs was calculated at 1 April 2014 and the purchase consideration for the property companies was reduced accordingly to reflect this liability. Applying IFRS treatment, these acquired swaps are required to be valued at each reporting date and the change in value taken to profit and loss. Given that these swaps will unwind to zero at the relevant maturity dates, an Adjustment has been made to reflect an unwind of the value at 1 April 2014 of the acquired swap contracts on a straight line basis to maturity, such that EPRA adjusted earnings more accurately reflect the lower effective interest cost. Therefore, the change in the value of these swaps included in the IFRS earnings has been removed (in the EPRA calculation) and replaced with the straight line swap unwind adjustment to arrive at adjusted EPRA earnings.

[7] *For purposes of calculating the Earnings per share at 2 October 2014, the total number of shares at this date was used.*

7. Earnings and net asset value per ordinary share (continued)

Earnings per ordinary share (continued)

Reconciliation of profit for the period to Headline earnings

	Unaudited for the six months ended 30/9/2014 £	Unaudited for the six months ended 30/9/2013 £	Audited period ended 31/3/2014 £	IFRS Unaudited for the six months ended 2/10/2014 EUR	*Pro forma** Unaudited for the six months ended 2/10/2014 EUR
Earnings/(loss) per IFRS income statement attributable to shareholders	1,793,732	(13,872)	(30,924)	11,886,471	9,189,237
Adjustments to calculate Headline Earnings, exclude:					
Changes in fair value of investment properties	(1,050,000)	–	–	(1,305,150)	(12,496,648)
Reversal of provision for selling costs	–	–	–	–	(5,612,458)
Reversal of gain on acquisition	–	–	8,038	(9,656,861)	19,374,000
Changes in fair value of financial instruments		–	–	–	13,427
Deferred tax in respect of Headline earnings adjustments		–	–	–	573,550
Adjustments above in respect of non-controlling interests					
Changes in value of investment properties		–	–	–	145,775
Deferred tax in respect of EPRA adjustments					(21,866)
Headline/EPRA earnings/(loss) attributable to shareholders	743,732	(13,872)	(22,886)	924,460	11,165,017
Earnings per share	**pence**	**pence**	**pence**	**cents**	**cents**
Headline EPS	9.30	(10.02)	(4.29)	0.74	8.97
Headline Diluted EPS	9.30	(10.02)	(4.29)	0.74	8.96

** Readers are referred to note 1 where the Basis of Preparation of the pro forma information is explained.*

7. Earnings and net asset value per ordinary share (continued)

Net asset value per share

The calculation of net asset value per share at the reporting date and acquisition date is set out below:

	IFRS Unaudited 30/9/2014 £	IFRS Unaudited 30/9/2013 £	IFRS Audited 31/3/2014 £	*Pro forma* Unaudited 2/10/2014 EUR
Net assets attributable to equity shareholders	19,209,969	426,128	17,433,541	351,830,114
Adjustments to arrive at EPRA net asset value:				
Derivative financial instruments	62,411	–	72,901	4,544,753
Deferred tax	–	–	–	6,532,235
Adjustments above in respect of non-controlling interests	–	–	–	1,067,207
EPRA net assets attributable to shareholders	19,272,380	426,128	17,506,442	363,974,309
Number of shares in issue	15,986,003	500,000	15,986,003	248,902,812
Deferred consideration				291,563
Diluted number of shares in issue	15,986,003	500,000	15,986,003	249,194,375
Net asset value per share (basic and diluted)	**pence**	**pence**	**pence**	**cents**
IFRS net asset value per share	1.20	0.85	1.09	1.41
EPRA net asset value per share	1.21	0.85	1.10	1.46

**Readers are referred to note 1 where the basis of preparation of the pro forma information is explained.*

8. Share capital

Issue of shares to acquire various property companies, the Stenham Property management business and the current investment manager, Apex Hi (UK) Limited.

The company had 15,986,003 (March 2014: 15,986,003) ordinary shares in issue at the reporting date. On 2 October 2014 the company completed the acquisition of the various property and management companies in consideration for an issue of new ordinary shares in the company. On 1 October 2014 and 2 October 2014 respectively, 218,794,917 and 14,121,892 new ordinary shares were issued on the Bermuda Stock Exchange at an issue price of €1.37 per share as consideration for the purchase of the property and management companies.

	IFRS Unaudited 30/9/2014 £	IFRS Unaudited 30/9/2013 £	IFRS Audited 31/3/2014 £	*Pro forma* Unaudited 2/10/2014 EUR
Authorised				
1,000,000,000 ordinary shares with a par value of £0.000001 each	1,000	1,000	1,000	1,258
Issued share capital	**IFRS Unaudited 30/9/2014 Number of shares**	**IFRS Unaudited 30/9/2013 Number of shares**	**IFRS Audited 31/3/2014 Number of shares**	***Pro forma* Unaudited 2/10/2014 Number of shares**
Opening balance	15,986,003	250,000	250,000	15,986,003
Issue of new shares	–	250,000	15,736,003	232,916,809
Closing number of shares issued	15,986,003	500,000	15,986,003	248,902,812
	£	**£**	**£**	**EUR**
Share capital	16	1	16	319
Share premium	17,460,730	499,999	17,534,587	341,985,423
Less: Acquisition/transaction costs	(27,794)	(60,000)	(73,857)	(2,087,071)
Total share premium	17,432,936	439,999	17,460,730	339,898,351

8. Share capital (continued)

Translation of share capital (continued)

In terms of the acquisition, the company committed to issue 291,563 ordinary shares to directors (the estimated value of which was €400,000 at the time) over a two-year period subject to those directors still being employed. Although this represents a share based payment under IFRS 2: *Share Based Payments* this has been treated as a cost of the shares issued and has been classified as a liability. This treatment is not consistent with the Group's policy to recognise the fair value of share based payments in a share-based payment reserve over the vesting period; however, management considers the impact of the difference in treatment to be immaterial.

Translation of share capital

Shareholders are referred to the announcement dated 24 October 2014 confirming that, for the purposes of changing the currency denomination of the share capital of the company, a GBP:EUR exchange rate of GBP1.00:EUR1,258 was used at acquisition date, resulting in an authorised share capital of €1,258.00 comprising 1,000,000 common shares of €0.000001258 each.

9. Bank loans

	IFRS Unaudited 30/9/2014 £	IFRS Unaudited 30/9/2013 £	IFRS Audited 31/3/2014 £	*Pro forma* Unaudited 2/10/2014 EUR
Opening balance	10,400,000	–	–	13,312,000
Acquisitions	–	–	10,396,777	313,642,579
Amortisation of transaction fees	(35,394)		3,223	(45,304)
Closing balance	10,364,606	–	10,400,000	326,909,275

Pro forma debt at 2 October 2014:

Property/Portfolio	Property value €	Loan value €	Cash €	Loan to value %	Net debt to value %	Average interest rate %	Weighted average duration to expiry (years)
United Kingdom	279,315,200	(115,645,513)	24,620,617	41.4	32.6	4.38	1.52
Switzerland	145,204,324	(84,197,385)	3,310,251	58.0	55.7	1.97	2.50
Germany	189,569,641	(127,066,378)	16,601,615	67.0	58.3	2.29	2.39
Total	614,089,165	(326,909,276)	44,532,483	53.2	46.0	2.95	2.11
Held in associate and joint venture:							
Nova Eventis	78,651,640	(46,211,171)	3,380,425	58.8	54.5	4.00	1.82
Care Homes Portfolio	33,412,000	(24,035,967)	895,613	71.9	69.3	2.61	3.86
Portfolio total	**726,152,805**	**(397,156,414)**	**48,808,521**	**–**	**–**	**–**	**–**
Less minority interests	(6,089,400)	4,331,787	(224,741)	–	–	–	–
Portfolio total (excluding minorities)	**720,063,405**	**(392,824,627)**	**48,583,780**	**54.6**	**47.8**	**3.06**	**2.18**

10. Financial risk management

The Group is exposed to a variety of financial risk: market risk, credit risk and liquidity risk. The overall risk management strategy seeks to minimise the potential adverse effects on the Group's financial performance. Certain risk exposures are hedged via the use of financial derivatives. The risks faced by the Group have not significantly changed compared to those disclosed in the consolidated financial statements for the year ended 31 March 2014 with the exception of the following.

Fair value of financial instruments

The following table summarises the Group's financial assets and liabilities into categories required by IFRS7 Financial instruments-disclosures. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

10. Financial risk (continued)

Fair value of financial instruments (continued)

	Held at fair value through other com-prehensive income	Held at fair value through profit and loss	Held at amortised cost	Total carrying amount 2 October 2014
	€	€	€	€
Financial assets				
Trading instruments	–	314,196	–	314,196
Cash and cash equivalents	–	–	44,532,483	44,532,483
Accounts receivable	–	–	2,944,198	2,944,198
Other debtors	–	–	546,559	546,559
Prepayments	–	–	410,637	410,637
	–	314,196	48,433,877	48,748,073
Financial liabilities				
Loans	–	–	326,909,275	326,909,275
Other loans and interest	–	–	22,093	22,093
Interest rate swaps	79,886	4,464,867	–	4,544,753
Accounts payable	–	–	15,319,774	15,319,774
	79,886	4,464,867	342,251,142	346,795,895

	Held at fair value through other com-prehensive income	Held at fair value through profit and loss	Held at amortised cost	Total carrying amount 30 September 2014
	£	£	£	£
Financial assets				
Trading instruments	,	245,466	–	245,466
Cash and cash equivalents	–	–	1,778,344	1,778,344
Accounts receivable	–	–	143,213	143,213
Other debtors	–	–	20,643	20,643
Prepayments	–	–	58,500	58,500
	–	245,466	2,000,700	2,246,166
Financial liabilities				
Loans	–	–	10,364,606	10,364,606
Interest rate swaps	62,411	–	–	62,411
Accounts payable	–	–	1,159,180	1,159,180
	62,411	–	11,523,786	11,586,197

10. Financial risk (continued)

Fair value of financial instruments (continued)

	Held at fair value through other comprehensive income	Held at fair value through profit and loss	Held at amortised cost	Total carrying amount 31 March 2014
	£	£	£	£
Financial assets				
Trading instruments	–	236,766	–	236,766
Cash and cash equivalents	–	–	1,380,526	1,380,526
Accounts receivable	–	–	212,931	212,931
	–	236,766	1,593,457	1,830,223
Financial liabilities				
Loans	–	–	10,400,000	10,400,000
Interest rate swaps	72,901	–	–	72,901
Accounts payable	–	–	1,423,781	1,423,781
	72,901	–	11,823,781	11,896,682

The table below analyses the Group's financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Total financial Instruments recognised at fair value	Designated at fair value		
		Level 1	Level 2	Level 3
30 September 2014	£	£	£	£
Assets				
Investment properties	28,550,000	–	–	28,550,000
Investment in listed securities	245,466	245,466	–	–
Total assets	**28,795,466**	**236,766**	**–**	**28,550,000**
Liabilities				
Derivative financial liabilities	62,411	–	62,411	–
Total liabilities	**62,411**	**–**	**62,411**	**–**
30 September 2013				
Assets				
Investment in listed securities	216,767	216,767	–	–
Total assets	**216,767**	**216,767**	**–**	**–**
31 March 2014				
Assets				
Investment properties	27,500,000	–	–	27,500,000
Investment in listed securities	236,766	236,766	–	–
Total assets	**27,736,766**	**236,766**	**–**	**27,500,000**
Liabilities				
Derivative financial liabilities	72,901	–	72,901	–
Total liabilities	**72,901**	**–**	**72,901**	**–**

Interest Rate Swap Agreements:

In order to manage the interest rate risks arising from the Group's operations and its sources of finance the Group enters into interest rate swap agreements. The interest rate swaps are employed by the Group to convert the Group's borrowings from floating to fixed interest rates and are detailed below. It is the Group's policy that no economic trading in derivatives is undertaken.

10. Financial risk (continued)

Interest Rate swap agreements (continued)

In accordance with the terms of the borrowing arrangements, the Group has entered into interest rate swap agreements. The interest rate swaps are used to manage the interest rate profile of financial liabilities and eliminate future exposure to interest rate fluctuations.

The following table sets out the interest rate swap agreements that have a Group company as the counter-party to the commercial bank providing the interest rate swap swap at 2 October 2014. Prior to the acquisition of the property companies on 2 October 2014, the only existing swap agreement was held by the AprexHi Portfolio which is separately disclosed under Existing swap in the table below.

Facility	Effective date	Maturity date	Swap rate %	*Pro forma* Unaudited fair value 10/2/2014
UK				
Euston House	01/04/2014	31/10/2016	2.04	(486,193)
Pilgrim Street	01/04/2014	29/03/2016	2.71	(1,223,523)
Hollandbay Portfolio	01/04/2014	25/03/2015	2.86	(63,479)
SWISS				
Algy – Sissach	01/04/2014	31/03/2017	0.91	(78,989)
Bruce – Chiasso	01/04/2014	31/03/2017	1.90	(197,873)
Clint – Interlaken Part 1	01/04/2014	31/03/2015	1.48	(21,294)
Clint – Interlaken Part 2	01/04/2014	31/03/2017	1.75	(81,963)
David – Cham Part 1	01/04/2014	31/03/2015	1.56	(57,195)
David – Cham Part 2	01/04/2014	31/03/2017	1.73	(201,518)
Kantone	01/04/2014	31/03/2017	0.70	(827,826)
Polo	01/04/2014	31/03/2017	0.73	(413,016)
Germany				
Bikemax Century 1	01/04/2014	31/12/2017	1.00	(278,129)
Bikemax Century 2	01/04/2014	31/12/2017	1.08	(132,430)
Bikemax Century 2 Cap	01/04/2014	31/12/2017	1.85	1,273
Aldi Portfolio	01/04/2014	30/04/2018	0.83	(375,798)
Neukolln	01/04/2014	31/12/2014	1.13	(26,914)
Total acquired swaps – on balance sheet				**(4,464,867)**
Existing swap:				
ApexHi Portfolio	01/04/2014	22/12/2016	1.70	(79,886)
Total swaps – on balance sheet				**(4,544,753)**
Swaps included in Investments in associates and joint ventures				
Care Homes – Braunshweig	01/04/2014	31/03/2018	2.43	(332,739)
Care Homes – Dessau	01/04/2014	31/03/2018	2.43	(315,172)
Care Homes – Keppeln	01/04/2014	31/12/2018	2.80	(427,028)
Care Homes – Winzlar	01/04/2014	31/12/2018	2.80	(284,685)
Nova Eventis	01/04/2014	24/07/2016	0.80	(586,998)
Total swaps				**(6,491,375)**

11. Investment in subsidiaries

During the period the Group incorporated the following companies:

Name	Jurisdiction		Cost $	Net assets acquired $
Stenprop (UK) Limited	BVI	01/7/2014	100	100
Stenprop (Germany) Limited	BVI	01/7/2014	100	100
Stenprop (Swiss) Limited	BVI	01/7/2014	100	100

The principal activity for each of these companies was to hold shares in the underlying property companies acquired.

12. Related parties transactions

Parties are considered related if one party has control, joint control or significant influence over the other party in making financial and operating decisions.

Related parties transactions in the six months prior to completion of the Stenprop Transaction

An entity in which Gerald Leissner and Pauline Goetsch have a direct and indirect beneficial interest respectively is one of the promoters of Stenprop (formally GoGlobal Properties Limited ("the Company")).

An entity in which Sean Melnick has an indirect beneficial interest, arising from his indirect beneficial interest in Peregrine Holdings Limited, was one of the promoters of the Company.

In undertaking due diligence prior to 30 September 2014 on a portfolio of properties in Germany, the promoters provided £300,000 to Stenprop. At 30 September 2014 estimated costs incurred amounted to £238,489 (March 2014: £271,088). The balance of £61,510 was repayable to the promoters. In addition, the promoters have paid and underwritten further expenses and costs associated with the issue and listing of shares on the BSX and AltX in the amount of £206,132 (an additional £73,857 having been borne by the Group). Following the acquisition of ApexHi (UK) Limited, none of these costs is refundable and Stenprop has no outstanding liabilities to the promoters.

ApexHi UK Limited ("APUK"), the investment advisor to the Group

Pauline Goetsch, Gerald Leissner and Sean Melnick were directors of APUK, until their resignation on 2 October 2014.

Under the terms of a property advisory agreement entered into between ApexHi and APUK, which was novated to the Company on 26 March 2014, APUK was responsible for advising the Group in relation to its financial strategy and business plans, including all aspects of investment in property and for managing the properties acquired by the Group. In respect thereof, APUK was paid a fee equal to one quarter of 1.25% of the aggregate of the Group's net asset value and the Group's indebtedness which was payable quarterly in arrears. The agreement terminated with effect from 2 October 2014.

During the period, the Group was charged £175,531 (March 2014: £5,830) by APUK for investment advisory services in accordance with the agreement. Unpaid fees at 30 September amount to £Nil (March 2014: £87,282). The entity was acquired by the Group on 2 October 2014.

Apex Fund Services Limited ("AFSL"), the Bermudian Company Secretary

Sharon Ward resigned as a director on 25 September 2013. David Brown who is also an employee of AFSL was appointed on the same day.

During the period AFSL charged fees of £1,755 (March 2014: £1,838) to the Group. At 30 September 2014, the Group owed AFSL £2,618 (March 2014: £1,226).

Acquisition by Stenprop of the Stenham Property Portfolio ('Stenprop Transaction')

It was the aligned and common interests amongst the parties which gave rise to the opportunity for the transaction to be structured. Nevertheless, in several cases various ownership interests and/or directors have an interest which falls to be disclosed in relation to the three principal aspects of the Stenprop Transaction, as described below.

The three principal aspects are:

- the sale to Stenprop by the various funds managed by Stenham Property of the interests in the 45 properties previously managed by Stenham Property by the various funds managed by Stenham Property and owned by the various funds;
- the sale to Stenprop of Stenham Property by, firstly, Stenham Group Limited, a wholly owned subsidiary of Stenham Limited, which in turn is indirectly held as to 70.78% by Peregrine Holdings Limited (which owned 29.14% of the issued share capital in Stenprop at 30 September 2014), and, secondly, Paul Arenson, who had an effective 10% interest in Stenham

12. Related parties transactions (continued)

Acquisition by Stenprop of the Stenham Property Portfolio ('Stenprop Transaction') (continued)

Property. The aggregate consideration for the sale was €15,600,000 settled in Stenprop Shares at the Issue Price. These shares comprise 4.6% of the Share Capital of Stenprop; and

- the sale to Stenprop of ApexHi UK Limited, being the company managing the ApexHi Portfolio. The consideration for the sale was €3,774,000 settled in Stenprop shares at the Issue Price. These shares comprise 1.1% of the share capital of Stenprop.

Shareholders should note the following in relation to persons or entities having potential conflicts of interest:

Peregrine Holdings Limited ("Peregrine")

Peregrine had an indirect interest of 63.7% in Stenham Property Holdings Limited and (before implementation of the Stenprop Transaction) a 29.4% interest in Stenprop. Peregrine also had an interest of 40% in ApexHi UK Limited.

Sean Melnick

Sean Melnick is the non-executive chairman of Peregrine and Stenham Limited and has a 12.3% interest in the share capital of Peregrine.

Paul Arenson

Paul Arenson is a director of Stenham Limited and Stenprop Management Limited and has an indirect 7.85% interest in the share capital of Stenham Limited and an effective 10% interest in Stenprop Management Limited. He also has indirect interests in various companies which were acquired by Stenprop as set out below:.

Company	Effective indirect percentage ownership
Bavaria Property Company Limited	11.64%
Branthill Holdings Limited	18.04%
Maplebeck Properties Limited	0.71%
Southwell Property Company Limited	0.95%
Stenham German Property Portfolio 2 Limited	0.36%
Stenham German Property Portfolio 3 Limited	0.82%
Stenham Swiss Property Portfolio Limited	0.60%
Stenham UK Property Portfolio 2 Accumulator Limited	0.43%
Stenham UK Property Portfolio 2 Limited	3.58%
Stenham UK Property Portfolio 3 Limited	1.39%

Gerald Leissner

As a promoter of Stenprop, Gerald Leissner had an indirect 13.3% interest in the share capital of ApexHi UK Limited. He is also the non-executive Chairman of Stenprop.

Michael Fienberg

Michael Fienberg is a director of Stenham Limited and of Stenprop Advisors Limited (formerly Stenham Property Finance Limited). He is also a director a number of the funds who sold their underlying properties to Stenprop and has an indirect interest in one of the companies which was acquired by Stenprop as set out below:

Company	Effective indirect percentage ownership
Branthill Holdings Limited	1.49%

Neil Marais

Neil Marais is a director Stenprop Advisors Limited and a number of the funds who sold their underlying properties to Stenprop.

Directors' interests in the Company at 2 October 2014:

Director	Shares held in Stenprop
Paul Arenson	5,017,606.00
Steve Ball	323,542.00
Michael Fienberg	78,498.00
Gerald Leissner	422,034.00

13. Subsequent events

Changes in functional and presentation currency

Effective 2 October 2014, the company changed its functional and presentation currency from British Pounds (GBP) to Euro (EUR). Going forward, the financial statements will be presented in Euro because that is the currency of the primary economic environment in which the Group operates. The functional currency of the Group is also considered to be Euro and was implemented from acquisition date being the 1 October 2014. This is a change in the functional currency from the prior reporting period.

Prior to 2 October 2014, the Group reported its annual, interim and quarterly Consolidated Statements of Financial Position and related Consolidated Statements of Comprehensive Income, Consolidated Statements of Cash Flows and Consolidated Statements of Changes in Equity in GBP. In making this change in functional and presentation currency, the Group followed the recommendations set out in IAS 21, The Effects of Changes in Foreign Exchange Rates. The audited and unaudited IFRS financial statements before and for the six months ended 30 September 2014 were prepared in GBP. All *pro forma* references included herein were calculated by translating the IFRS unaudited GBP amounts at 30 September 2014 at an agreed GBP:EUR exchange rate of GBP1.00:EUR1.258. The average exchange rate of €1.243:£1 for the six-month period was used to translate the Consolidated Statements of Comprehensive Income.

Acquisitions

On 1 October 2014, the above subsidiaries acquired the following companies:

Name	Place of incorporation	Ownership (%)
Stencap 1 Limited	BVI	100
Stencap 2 Limited	BVI	100
Stencap 3 Limited	BVI	100
Stencap 4 Limited	BVI	100
Davemount Properties Limited	BVI	100
Loveridge Properties Limited	BVI	100
Laxton Properties Limited	BVI	100
Normanton Properties Limited	BVI	100
Kantone Holdings Limited	Guernsey	100
Spike Investments S.A	Lux	100
Bernina Property Holdings Ltd	Guernsey	100
Lakewood International N.V	Curaçao	89
TB Property Holdings N.V	Curaçao	100
Leatherback Properties Limited	BVI	100
Stenham Properties (Germany) Limited	IoM	100
Anarosa Holdings N.V	Curaçao	94.9
CS Property Holding N.V	Curaçao	94.9
Stenham European Shopping Centre Fund Limited	Guernsey	28.12

On 2 October 2014, the Group acquired the following companies:

Name	Place of incorporation	Ownership (%)
Stenham Property Holding Limited	BVI	100
Stenham Property Finance Limited	Guernsey	100
Stenham Property Limited	England	100
ApexHi UK Limited	UK	100

13. Subsequent events (continued)

Acquisitions (continued)

The fair value of assets acquired and liabilities assumed were as follows:

	Stenprop (UK) Limited	Stenprop (Swiss) Limited	Stenprop (Germany) Limited	Management companies	Total
Effective date of acquisition	01/10/2014	01/10/2014	01/10/2014	02/10/2014	
Number of properties (100%)	6*	13	20		39
Number of properties (94.9%)			1		1
Number of properties in joint venture (50%)			4		4
Number of properties in associates (28%)			1		1
					45

** This figure excludes the eight properties owned by the company before completion.*

Fair value on acquisition completion date of properties and management companies acquired (EUR)**:

	Stenprop (UK) Limited	Stenprop (Swiss) Limited	Stenprop (Germany) Limited	Management companies	Total
Investment properties	242,771,200	145,204,324	189,569,641		577,545,165
Investment in associate			35,081,558	31,799	35,113,357
Investment in joint venture			8,947,650	–	8,947,650
Property, plant and equipment			24	9,777	9,801
	242,771,200	145,204,324	233,598,872	41,576	621,615,972
Net working capital	(6,456,115)	(1,257,665)	(1,260,573)	1,384,941	(7,589,412)
External debt	(102,378,817)	(84,197,385)	(127,066,377)	–	(313,642,579)
Deferred tax	–	(3,721,641)	(2,810,594)	–	(6,532,235)
Derivative financial instruments	(1,773,194)	(1,879,675)	(811,998)	–	(4,464,867)
Non-controlling interest	–	–	(1,749,801)	–	(1,749,801)
	132,163,074	54,147,958	99,899,529	1,426,517	287,637,078
Gain on acquisition					(9,656,861)
Net assets acquired					277,980,217
Purchase consideration					
Share issue (EUR)					318,791,449
Deferred consideration					1,444,969
Less cash					(42,256,201)
					277,980,217

***In terms of IFRS3: business combinations an acquirer has a period of 12 months from the date of acquisition to finalise the acquisition accounting. Any reference to fair value of the net assets acquired is therefore subject to finalisation.*

Stenprop (UK) Limited, Stenprop (Swiss) Limited and Stenprop (Germany) Limited were incorporated during the period to hold the acquired assets. Refer note 11.

13. Subsequent events (continued)

Gain on acquisition	IFRS Unaudited for the six-month period ending 2/10/2014 EUR	*Pro forma** Unaudited for the six-month period ending 2/10/2014 EUR
Net property income movement for the period between effective date of sale and acquisition date		12,501,984
Net gain from financial assets and liabilities		213,781
Fair value movement of investment properties		11,191,498
Reversal of provision for selling costs on acquired properties		5,612,458
Fair value of investment in associate		1,160,970
Fair value of investment in joint venture		1,108,348
Impairment of goodwill arising on acquisition of management companies		(19,374,000)
Net finance costs and taxation		(4,771,504)
Other gains		8,327
Taxation		(617,594)
Non-controlling interest		(25,248)
Foreign currency translation reserve		2,647,841
Gain on acquisition	9,656,861	
	9,656,861	**9,656,861**

Notional goodwill of €19,374,000 arose as a result of the acquisition of the Stenham Property Holdings Limited Group and ApexHi (UK) Limited (the management companies). The acquisition of the management companies was contingent on the completion of the purchase of the property companies and was therefore considered a linked transaction in terms of IFRS 3: Business combinations. From a Group perspective, the fair value of the combined identifiable net assets on acquisition date exceeded the summation of the consideration paid. A net gain on acquisition arose on acquisition date from the internalisation of management and the uplift in the value of the various property companies in the six-month period between the effective date of the sale (on which the assets were fair valued for purposes of the transaction), and the acquisition date, No goodwill is therefore recognised in the Group accounts.

Increase in holding in Associate

On the 29 October 2014, as a result of a scrip dividend paid by Stenham European Shopping Fund Limited, an associate of the Group, the Group's holding in the entity increased from 28.12% to 28.14%. This will have the impact of increasing the Investment in Associate and subsequent net asset value of the company by €318,219.

Disposals and held for sale assets

The Board is considering whether the value of the London office building located in Chiswell Street could be best accessed by a sale of the property for redevelopment.

Stenprop has a primary listing on the Bermuda Stock Exchange and a secondary listing on the Alternative Exchange of the JSE Limited.

Note: All times indicated in this announcement are Greenwich Mean Time ("GMT").

Date: 11 December 2014

South African corporate advisor and JSE sponsor

JAVA CAPITAL

BSX sponsor

LOM