

INTEGRATED REPORT
for the year ended 30 September 2018



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ABOUT THIS REPORT

Lighthouse Capital Limited ("Lighthouse") is pleased to present its third integrated report to stakeholders. Lighthouse shareholders approved the change of name of the company from Greenbay Properties Ltd ("Greenbay") to Lighthouse Capital Limited at the general meeting held on 20 November 2018. As the integrated report covers the period to 30 September 2018 and the record date of the name change is 4 December 2018, the integrated report refers to Greenbay throughout.

In this integrated report, we review our performance for the financial year ended 30 September 2018 (which we refer to as 2018). The report is intended for all our stakeholders (see pages 8 and 9) and explains how we create value over time, giving insight into Greenbay's business model, performance, governance framework, strategy and risks and opportunities.

SCOPE AND BOUNDARY

This integrated report deals with all material social, economic and governance matters that substantively affect the group's ability to create value over the short, medium and long term, as identified by the board. Management determined which issues could influence the decisions, actions and performance of the group. All material matters have been included and management is not aware of any information that was unavailable or any legal prohibitions to the publication of any information.

Greenbay's operations are primarily based in Mauritius and the Netherlands. Greenbay, via its subsidiaries, owns a shopping centre in Slovenia and two shopping centres in Portugal. Details of Greenbay's subsidiaries are set out in note 5 of the annual financial statements. All of these entities fall within the reporting ambit of this integrated report.

The information included in the integrated report is provided in accordance with:

- » The International Financial Reporting Standards ("IFRS");
- » The Integrated Reporting Framework ("Framework") issued by the International Integrated Reporting Council ("IIRC");
- » The Mauritian Companies Act 2001;
- » The Mauritian Securities Act 2005;
- » The Stock Exchange of Mauritius ("SEM") Listing Rules;
- » The Johannesburg Stock Exchange Limited ("JSE") Listings Requirements;
- » The King IV Report™ on Corporate Governance for South Africa 2016 ("King IV"); and
- » The Framework and Code of Corporate Governance for Mauritius 2016 ("the Code").

STRUCTURE

In the section **VALUE CREATION**, we discuss our business and its value creation strategy and how it is impacted by our capitals, stakeholders, risks and opportunities.

Our **PERFORMANCE AND OUTLOOK** is introduced by the chairman, Terry Warren, on behalf of the board of directors, who are responsible for setting Greenbay's strategy.

CORPORATE GOVERNANCE is important to Greenbay. We therefore provide extensive information on the activities of the board and its committees in providing sound corporate governance.

This report contains a full set of our **ANNUAL FINANCIAL STATEMENTS** for both the group and the company as well as **SHAREHOLDER INFORMATION**.

ASSURANCE

The information in this report was collected and prepared on the same basis as last year insofar as measurement methods and time frames were concerned, unless otherwise stated. The information provided in the annual financial statements was prepared in line with IFRS and audited by our external auditor, BDO & Co. Financial information included elsewhere in the body of this report was extracted from the annual financial statements.

The audit committee approved a combined assurance approach to this report:

- » The executive management provide an oversight role, by reviewing the integrated report for completeness and accuracy; and
- » The external auditor reviews the integrated report to ensure consistency with the audited annual financial statements, but they do not issue an opinion thereon.

FORWARD-LOOKING STATEMENTS

We make certain statements that are not based on historical facts but rather forecasts of future results which are not yet determinable. Forward-looking statements involve inherent risks and uncertainties and actual results may be very different from those anticipated. Forward-looking statements apply only on the date made and we do not undertake to update or revise any of them, whether as a result of new information, future events or otherwise.

BOARD RESPONSIBILITY AND APPROVAL STATEMENT

The board acknowledges that it is ultimately responsible for overseeing the integrity of this report. After applying its collective mind to the preparation and presentation of the report and, after recommendation by the audit committee, the board concluded that it addresses all material issues and fairly presents the company's integrated performance, outlook, strategy and perspective on future value creation in accordance with the Framework.

The integrated report was approved by the board for publication on 17 January 2019.

2018 PERFORMANCE HIGHLIGHTS

INVESTMENT PORTFOLIO

LISTED SECURITIES – DIRECT HOLDINGS

Up 102,5%

EUR322,8 million

2017: EUR159,4 million

LISTED SECURITIES – GROSS EXPOSURE THROUGH EQUITY SWAP DERIVATIVES

Down 45,2%

EUR366,9 million

2017: EUR669,4 million

DIRECT PROPERTY INVESTMENTS

Up 58,7%

EUR292,7 million

2017: EUR184,4 million

SHARE PRICE

HIGH

Up 15,1%

17,72 EUR cents

2017: 15,39 EUR cents

LOW

Down 36,2%

6,32 EUR cents

2017: 9,90 EUR cents

CLOSING

Down 45,5%

8,10 EUR cents

2017: 14,86 EUR cents

DISTRIBUTION PER SHARE

INTERIM

Up 25,0%

0,2885 EUR cents

2017: 0,2308 EUR cents

FINAL

Up 10,0%

0,2596 EUR cents

2017: 0,2360 EUR cents

TOTAL

Up 17,4%

0,5481 EUR cents

2017: 0,4668 EUR cents

RATIOS

LOAN-TO-VALUE RATIO

Down 1,8%

8,3%

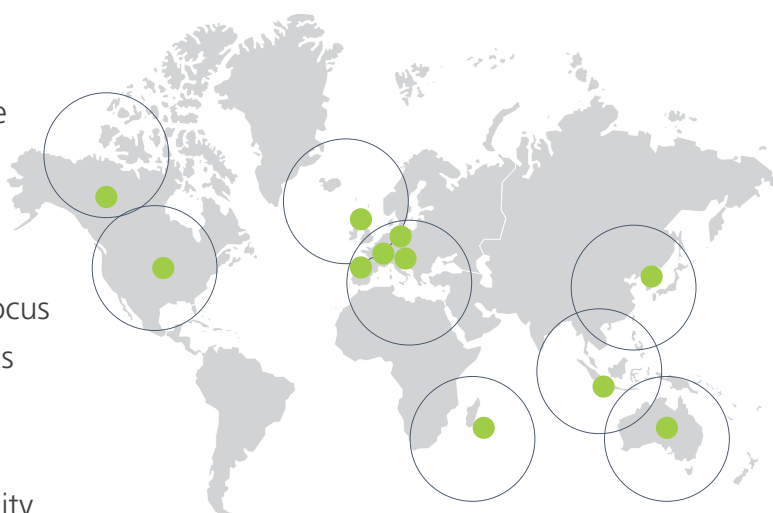
2017: 10,1%

GEOGRAPHICAL AND SECTORAL PROFILE

Greenbay's primary objective is investing in and developing diverse global real estate.

Direct real estate acquisitions are opportunistic and diverse with a focus on retail assets. The company seeks to invest predominantly in Europe targeting properties with strong sustainable income from high quality tenants with a strong likelihood of renewal of leases on expiry.

Listed investments are well-diversified and include infrastructure and real estate securities with competitive yields and growth outlooks.



Offices

Registered office

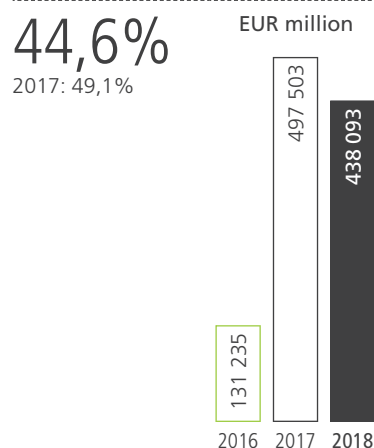
C1-401, 4th Floor, La Croisette, Grand Baie
Mauritius

Netherlands office

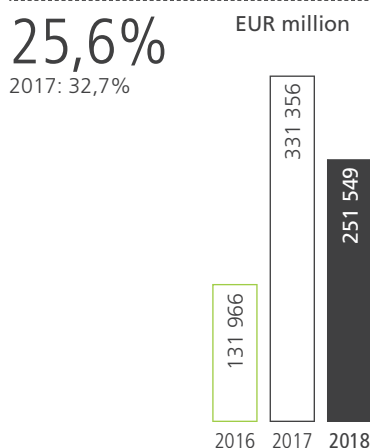
World Trade Centre, Tower A, Level 7
Strawinskylaan 703, 1077XX
Amsterdam, The Netherlands

SECTORAL PROFILE

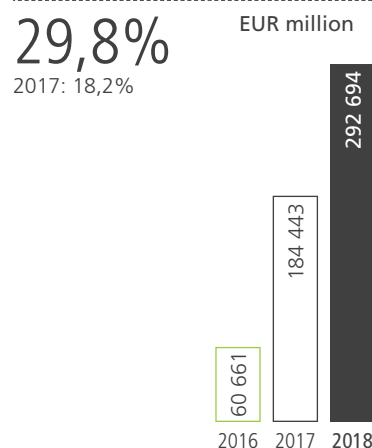
Listed infrastructure



Listed real estate



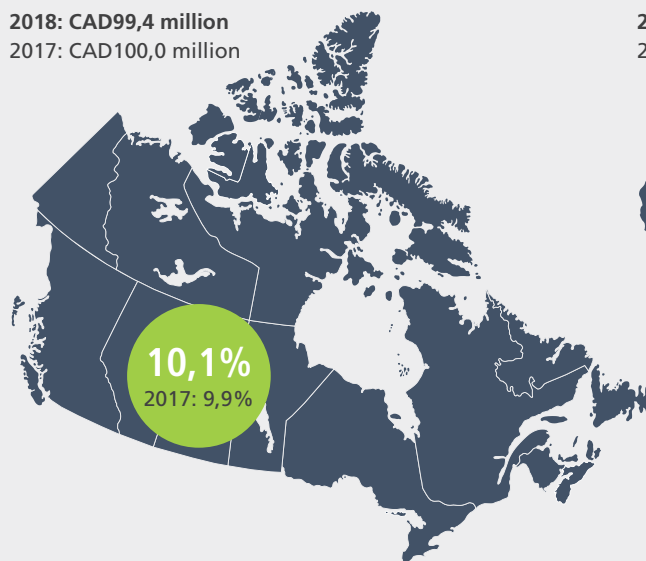
Direct property



GEOGRAPHICAL PROFILE

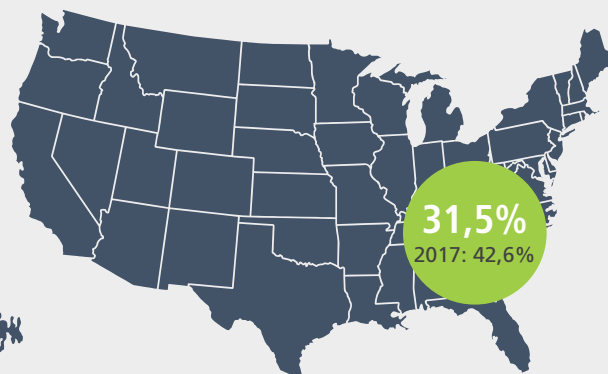
Canada

2018: CAD99,4 million
2017: CAD100,0 million



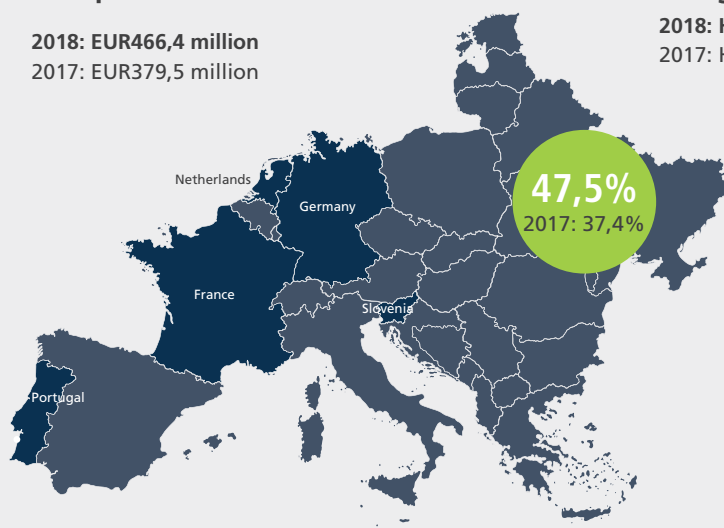
United States of America

2018: USD309,0 million
2017: USD432,3 million



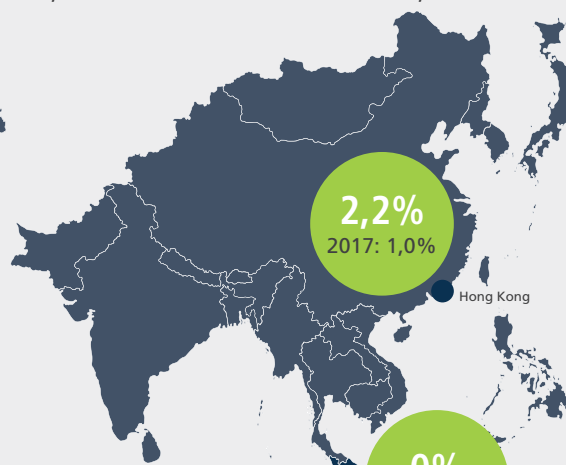
Europe

2018: EUR466,4 million
2017: EUR379,5 million



Hong Kong

2018: HKD22,0 million
2017: HKD9,7 million



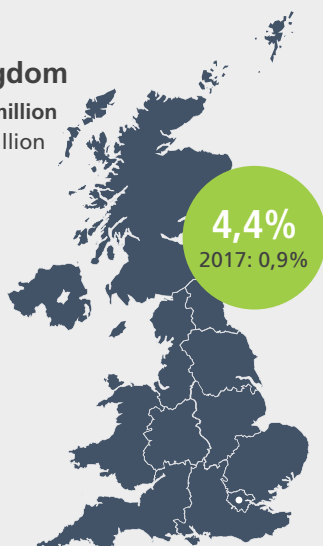
Singapore

2018: SGDnil
2017: SGD11,9 million



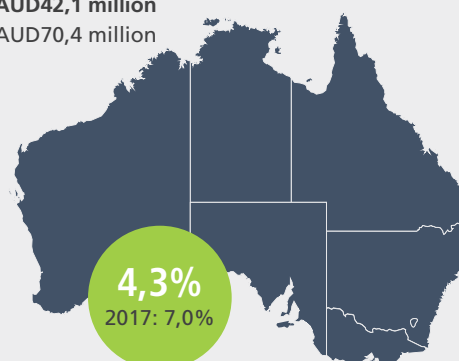
United Kingdom

2018: GBP43,5 million
2017: GBP9,5 million



Australia

2018: AUD42,1 million
2017: AUD70,4 million



LISTED PORTFOLIO

The listed portfolio is well-diversified across and within the real estate and infrastructure sectors. Infrastructure provides the backbone to many modern economies, be it through the provision of electricity (generation, transmission and distribution), natural gas (transmission and distribution or supply), water, waste management and various transport infrastructure (roads, airports, rail networks, harbours and toll roads). More recent additions to this sector include telecommunication towers, broadband and Wi-Fi services. Retail real estate and infrastructure assets share similar characteristics.

SCHEDULE OF TOP TEN LISTED INVESTMENTS – 30 SEPTEMBER 2018

Gross listed security exposure	Primary sector	Jurisdiction	Percentage ownership 2018 %	Income received 2018 EUR	Purchase price/cost 2018 EUR	Valuation as at 2018 EUR	Valuation as at 2017 EUR
TransCanada Corp	Infrastructure	Canada	0,17	2 313 248	40 858 374	53 379 827	35 163 741
Unibail-Rodamco-Westfield	Real estate	Europe	0,22	2 205 907	64 416 346	52 447 725	55 552 500
Enterprise Products Partners LP	Infrastructure	USA	0,09	2 967 130	36 469 840	46 494 878	36 628 976
Enbridge Inc	Infrastructure	Canada	0,10	2 457 393	36 545 906	46 000 310	44 223 820
Kinder Morgan Inc	Infrastructure	USA	0,13	1 265 392	40 900 292	45 069 926	27 597 718
Klepierre	Real estate	Europe	0,45	2 560 329	48 550 187	43 199 950	35 866 800
NextEra Energy Inc	Infrastructure	USA	0,06	1 000 036	29 512 829	41 854 627	31 009 980
E.ON SE	Infrastructure	Europe	0,21	1 413 627	44 024 478	41 529 400	27 770 400
Simon Property Group Inc	Real estate	USA	0,08	1 427 452	29 735 163	35 791 787	25 643 866
Transurban Group	Infrastructure	Australia	0,15	2 283 348	17 607 374	27 234 979	21 269 596
				19 893 862	388 620 789	433 003 409	340 727 397
Top ten holdings as a % of gross listed security portfolio						62,8%	41,1%
Total gross listed security portfolio						689 641 377	828 859 524

SCHEDULE OF TOP TEN OVERALL INVESTMENTS – 30 SEPTEMBER 2018

Gross investments	Primary sector	Jurisdiction	Valuation as at 30 September 2018 EUR	Valuation ¹ as at 30 September 2017 EUR
Forum Coimbra	Direct real estate	Europe	194 754 000	94 895 500
Planet Koper	Direct real estate	Europe	57 749 000	57 500 000
TransCanada Corp	Infrastructure	Canada	53 379 827	35 163 741
Unibail-Rodamco-Westfield	Real estate	Europe	52 447 725	55 552 500
Enterprise Products Partners LP	Infrastructure	USA	46 494 878	36 628 976
Enbridge Inc	Infrastructure	Canada	46 000 310	44 223 820
Kinder Morgan Inc	Infrastructure	USA	45 069 926	27 597 718
Klepierre	Real estate	Europe	43 199 950	35 866 800
NextEra Energy Inc	Infrastructure	USA	41 854 627	31 009 980
E.ON SE	Infrastructure	Europe	41 529 400	27 770 400
			622 479 643	446 209 435

¹ Valuations based on pro rata ownership % applicable on the relevant reporting date.

CORE LISTED SECURITIES

TransCanada

Trans Canada Corp ("TransCanada") is a leading energy infrastructure company in North America, focusing on pipeline and power generation opportunities. Its 91 900 kilometre (57 100 miles) network of natural gas pipelines supplies more than 25% of the clean-burning natural gas consumed daily across North America. TransCanada's oil and liquids infrastructure connects Alberta crude oil supplies to US refining markets in Illinois, Oklahoma, Texas and the US Gulf Coast. The company also owns or has interests in 11 power generation facilities with capacity of 5 700 megawatts. At 30 September 2018, TransCanada's market capitalisation was CAD47,7 billion.

Unibail-Rodamco-Westfield

With a portfolio valued at EUR63,7 billion as at 30 June 2018, Unibail-Rodamco-Westfield is the premier global developer and operator of flagship shopping destinations. The company is present on two continents and in 13 countries. It owns and operates 97 shopping centres, including 56 flagship centres in Europe and the United States. Its centres attract 1,2 billion visitors per year. Unibail-Rodamco-Westfield has the largest development pipeline in the industry, worth EUR12,5 billion. At 30 September 2018, the market capitalisation of Unibail-Rodamco-Westfield was EUR24,0 billion.

EPD

Enterprise Products Partners LP ("EPD") is one of North America's largest integrated providers of midstream energy services to producers and consumers of natural gas, natural gas liquids ("NGLs"), crude oil, petrochemicals and refined products. Its integrated midstream energy asset network links producers of natural gas, NGLs and crude oil from some of the largest supply basins in the USA, Canada and Gulf of Mexico with domestic consumers and international markets. At 30 September 2018, EPD had a market capitalisation of USD62,5 billion.

Enbridge

Enbridge Inc. ("Enbridge") is a Canadian company that aims to be the leading energy delivery company in North America. The company operates the world's longest crude oil and liquids transportation system. It is involved not only in the gathering, transportation, processing and storage of natural gas, but increasingly also in power transmission. Enbridge has approximately 3,7 million retail customers in Ontario, Quebec, New Brunswick and New York State. At 30 September 2018, the market capitalisation of Enbridge was CAD71,6 billion.

Kinder Morgan

Kinder Morgan Inc. ("Kinder Morgan") is one of the largest energy infrastructure companies in North America. It owns an interest in or operates approximately 84 000 miles of pipelines and 152 terminals. The pipelines transport natural gas, refined petroleum products, crude oil, condensate, CO₂ and other products. At 30 September 2018, Kinder Morgan had a market capitalisation of USD39,1 billion.

Klepierre

Klepierre SA ("Klepierre") is a leader in Continental Europe's retail property market. It has shopping centres in more than 50 cities and in 16 countries. As at 30 June 2018, Klepierre valued its property portfolio at EUR24,6 billion. Klepierre provides leading retailers with a unique range of shopping centres that together attract more than 1,1 billion visitors each year. Klepierre's market capitalisation at 30 September 2018 was EUR9,6 billion.

NextEra Energy

NextEra Energy Inc ("NextEra") is one of the largest electric power companies in North America and is the largest generator of renewable wind and solar energy in the world. NextEra owns and/or operates generation, transmission and distribution facilities. It also invests in gas infrastructure assets. At 30 September 2018, NextEra had a market capitalisation of USD79,0 billion.

E.ON

As one of Germany's largest energy suppliers, E.ONSE ("E.ON") focuses on renewables, energy networks and customer solutions. E.ON is focusing on transforming yesterday's power lines into tomorrow's smart energy networks, providing innovative customer solutions and becoming a larger player in renewable energy generation. At 30 September 2018, E.ON had a market capitalisation of EUR19,3 billion.

Simon Property Group

Simon Property Group Inc ("Simon Property Group") is a global leader in the ownership of premier shopping, dining, entertainment and mixed-use destinations and an S&P 100 company. Its properties across North America, Europe and Asia provide community gathering places for millions of people every day and generate billions in annual sales. As of 30 September 2018, it owned or held an interest in 207 income-producing properties in the USA as well as a 21,2% equity stake in Klepierre. At 30 September 2018, the market capitalisation of Simon was USD63,0 billion.

Transurban Group

Transurban Group is an integrated transport company. It principally develops, operates, maintains and finances toll road assets and manages associated customer and government relationships. The company's strategy is to be the partner of choice with governments and aims to achieve this through the ongoing management of its existing road networks and by applying its skills to the infrastructure challenges in its markets. At 30 September 2018, the market capitalisation of Transurban was AUD25,2 billion.

SCHEDULE OF PROPERTIES

Physical property investments are focused on retail assets across Europe. Greenbay constantly assesses opportunities to upgrade, refurbish, extend and redevelop our properties.

Property name	Primary use	Geographical location	Ownership %	Acquisition date	Occupancy %
Retail					
Forum Coimbra	Retail	Coimbra, Portugal	100	31 May 2017 ²	99,1
Planet Koper	Retail	Koper, Slovenia	100	30 August 2016	89,5
Forum Viseu	Retail	Viseu, Portugal	100	31 May 2017 ²	96,9

Total direct property investment

The weighted average rental escalation by rentable area is linked to the in-country consumer price index ("CPI"), which is currently 1,2% in Slovenia and 1,4% in Portugal. The average annualised property yield is 6,25% at 30 September 2018.



FORUM COIMBRA PORTUGAL

Located in Coimbra, which is the capital of the Centro region of Portugal. Coimbra is the third largest urban centre in Portugal (after Lisbon and Porto) with a population of 144 000. With footfall of over 8,4 million people in 2018 (8,1 million in 2017), Forum Coimbra is the most dominant retail centre in its catchment area. It is in a prime location with excellent visibility and easy access to both the city centre and the A1 motorway (Lisbon – Porto). The shopping centre is anchored by a fully refurbished Continente (in separate ownership), is tenanted by 145 retailers and has 2 597 parking spaces. Forum Coimbra has a dominant food court that boasts 29 different restaurant options, a six-screen cinema NOS complex and a Crazy Bowling. Fashion anchors include international heavyweights such as Primark, eight of the Inditex brands, H&M and this year we saw the introduction of JD Sports, Zippy, Pandora, Flying Tiger Copenhagen and KFC. The weighted average rent per m² ("rate per m²") has been increased to EUR27,13 (from EUR26,39 in 2017).

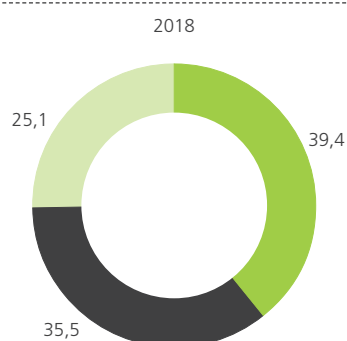


FORUM VISEU PORTUGAL

Located in Viseu, which is in the Centro region of Portugal. Forum Viseu is a CBD mall on the strongest high street in Viseu. With footfall of over 4,3 million people in 2018, Forum Viseu is the dominant fashion destination in Viseu. It has a highly accessible location in the city centre with more than 50% of the footfall being pedestrian. The shopping centre is anchored by Pingo Doce, tenanted by 50 retailers with a strong representation by the Inditex brands and has 784 parking spaces. During 2018, we saw the introduction of new brands such as Ouriversaria Preciosa & Celeiro, while Forum Viseu was further embedded as the centre of the Viseu community when a new 1 500m² Fitness Hut gym opened at the end of November 2018. The rate per m² is approximately EUR15.

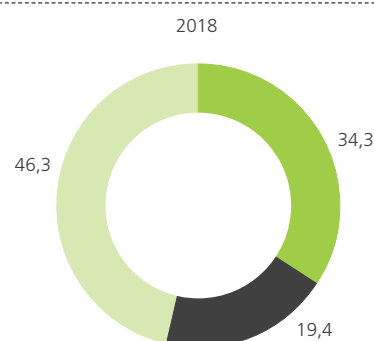
TENANT PROFILE

BY RENTABLE AREA | %



- Large national tenants, large listed tenants and government. These include, inter alia, C&A, Cortefiel, Fnac, H&M, Inditex, New Yorker, Primark and Takko.
- National tenants, listed tenants, franchisees and medium to large professional firms. These include, inter alia, CCC, Cineplexx, Deichmann, Nos, Pingo Doce, S. Oliver and Tus.
- Other (this comprises 141 tenants).

BY GROSS RENTALS | %



Gross lettable area (m ²)	Purchase price/cost EUR	Valuation EUR	Address
33 789 ³	195 116 420 ¹	194 762 712	Av. Jose Bonifacio de Andrada e Silva no1 Quinta do Vale Gemil – Almegue Santa Clara 3040-389, Coimbra, Portugal
32 538	57 743 907 ¹	57 740 000	Ankaranska cesta 2, 6000 Koper, Slovenia
18 705	40 265 231 ¹	40 191 000	Rua D. Jose da Cruz Moreira Pinto, 32, 3510-078, Viseu, Portugal
293 125 558	292 693 712		

¹ Purchase price/cost includes capitalised costs to date.

² An effective 50% ownership interest was acquired on 31 May 2017, with the remaining 50% acquired on 2 August 2018.

³ Excluding a 17 700m² hypermarket that is separately owned.

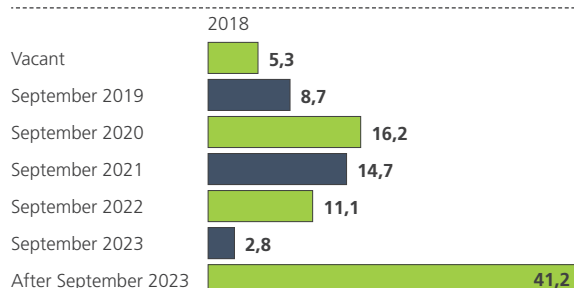


PLANET KOPER KOPER, SLOVENIA

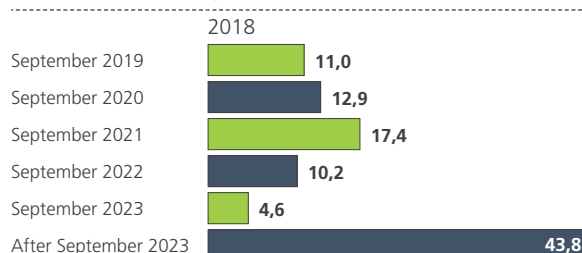
Located in Slovenia's only port town, Koper. Planet Koper is the largest, most dominant shopping centre on Slovenia's 47 kilometre coastline, with footfall of four million. The shopping centre is well-located just off the coastal motorway with easy access to the city centre and the surrounding residential population. Planet Koper is anchored by a Tus supermarket, is tenanted by 65 retailers and has more than 1 000 parking spaces. We are pleased to report that during 2018 H&M have expanded and fully refurbished their premises, and we have a commitment from other major anchors New Yorker, C&A, Deichman and Baby Centre to begin full revamps of their units in the first quarter of 2019. Furthermore, we have successfully introduced international brands such as Pandora, Women's Secret and Athlete's Foot and we are delighted to announce a refurbishment of the shopping centre that will be centred around the establishment of a food court with at least eight new restaurants and a number of new international brands that, from a regional point of view, will be exclusive to Planet Koper. The rate per m² is approximately EUR11,80.

LEASE EXPIRY PROFILE

BY RENTABLE AREA | %



BY GROSS RENTALS | %



HOW WE ENGAGE WITH STAKEHOLDERS

We strive to create sustainable long term value for Greenbay and its stakeholders. We are involved in dialogue on the organisational position, performance and outlook with all stakeholders to determine their material desires in order to respond appropriately through the delivery of our value creation strategy.

ECONOMIC STAKEHOLDERS

INVESTORS AND ANALYSTS

What is material to them A clear long-term sustainable growth strategy and successful performance against it	How Greenbay engages to create value Greenbay is committed to providing shareholders with timely and relevant information. Communication is open, honest and transparent. Shareholders are provided with information via circulars and integrated and interim reports. Additional information is provided on Greenbay's website, via stock exchange announcements and press releases. Greenbay holds results presentations.
Desired outcome Attractive dividend yield and long-term sustainable capital growth	

FINANCIERS

What is material to them To be paid contracted amounts on a timeous basis	How Greenbay engages to create value Greenbay meets with its financiers on a regular basis to discuss its requirements and theirs. Information is provided through analyst presentations, road shows, integrated reports and interim reporting.
Desired outcome Good credit rating	

TENANTS

What is material to them To be treated fairly and promptly	How Greenbay engages to create value Greenbay strives to form mutually beneficial business relationships with its tenants. Greenbay's property and asset managers regularly meet with tenants and conduct site visits.
Desired outcome Successful tenants	

SUPPLIERS

What is material to them To be treated fairly and paid timeously	How Greenbay engages to create value Greenbay maintains professional working relationships with all of its suppliers and ensures that its suppliers understand Greenbay's performance standards and requirements, as contained in service level agreements, where applicable.
Desired outcome Reliable suppliers	

PROPERTY MANAGERS

What is material to them Clear standards and expectations	How Greenbay engages to create value Greenbay maintains professional working relationships with its property managers who regularly meet with senior management.
Desired outcome Successful partnerships	

ORGANISATIONAL STAKEHOLDERS

EMPLOYEES

What is material to them Safe, secure and rewarding employment	How Greenbay engages to create value Greenbay's strategy is to attract, develop and retain the best industry talent. Our people are developed and rewarded appropriately. We maintain open channels of communication with our employees that include ad hoc meetings.
Desired outcome Challenging and fulfilling careers in a progressive environment	

SOCIETAL STAKEHOLDERS

GOVERNMENT AND LOCAL AUTHORITIES

What is material to them Paying taxes and adhering to laws and regulations	How Greenbay engages to create value Greenbay endeavours to pay all its taxes and abide by all applicable laws and regulations. Greenbay engages with local authorities both directly and via its property managers and external consultants regarding utility issues, rates clearances, zoning, etc.
Desired outcome Compliance and a good reputation	

INDUSTRY ASSOCIATIONS AND REGULATORY BODIES

What is material to them Active participation	How Greenbay engages to create value Greenbay's asset managers belong to various local industry bodies and regularly attend industry conferences.
Desired outcome Knowledge	

COMMUNITIES AND ENVIRONMENT

What is material to them Minimising pollution	How Greenbay engages to create value Greenbay is committed to caring for the environment and therefore evaluates the impact of its projects and developments on society.
Desired outcome Responsible corporate citizenship	

Greenbay is committed to ensuring timeous, effective and transparent communication with all stakeholders in its quest for optimum value creation.

HOW WE CREATE VALUE

Greenbay uses the capital at its disposal to create sustainable value for its stakeholders.

INPUTS AND BUSINESS PROCESSES

F FINANCIAL CAPITAL

Greenbay strives to deliver both capital and distribution growth to its shareholders by investing globally in direct property as well as in listed real estate securities with competitive yields that have the prospect of capital growth. In doing so, Greenbay undertakes to manage its assets in a responsible manner.

Greenbay's ability to access funding is intrinsic to its operations and thus its ability to create value. Greenbay had low gearing at year-end and intends utilising diverse funding sources by using different banks to manage its financing costs and concentration risk. In addition, we ensure that the currencies of our investments generally match the currencies of the underlying funding. Greenbay utilises in-country financing where sources of funding exist and the terms are in line with the company's funding strategy.

M MANUFACTURED CAPITAL

Greenbay is a company that invests in property both directly and indirectly through investments in listed securities. Management is constantly investigating potential investments that will provide sustainable, long-term growth that exceeds industry norms, whether in the form of a potential development, purchase of an existing property, expansion of existing shopping centres or through investments in listed securities. A stringent approval process is in place for properties to be acquired or developed. Our investment committee members, who are all experienced in the property sector, approve Greenbay's acquisitions, redevelopments and disposals and receive updates on these at each meeting.

The day-to-day management of our properties has been outsourced to our property managers, who have the requisite experience and presence in the countries in which our properties are located. We also have experienced and dedicated in-house asset managers who are responsible for overseeing the properties, the performance of the properties and managing the tenant relationships. The asset managers report directly to the chief executive officer. We are constantly assessing opportunities for upgrades, refurbishments, extensions and redevelopments of our properties.

S/R SOCIAL AND RELATIONSHIP CAPITAL

Greenbay's management team fosters long-term relationships with all our tenants, recognising that there is an important symbiotic relationship between their success and ours. We assess the tenant mix of our properties on an ongoing basis and relocate tenants where we feel that their trading and the property's performance can be improved.

We have relationships with global financial institutions with best-of-breed operating platforms reducing both our operational and counterparty credit risk.

We enter into developments with reputable partners with whom we share values and goals. These relationships allow us to leverage off the specific skills and experience of our partners, all of whom have proven track records in the markets in which they operate.

H/I HUMAN AND INTELLECTUAL CAPITAL

Our employees are as intrinsic to our business as our properties. We aim to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of shareholders. Our employees are encouraged to attend job and industry-related training.

N NATURAL CAPITAL

We aim to improve the sustainability of our properties by investigating new technologies. Energy efficiency is foremost in our sustainability endeavours.

CAPITAL TRADE-OFFS

In applying the capitals for value creation, we have to make many trade-offs. The most significant such trade-offs include deciding between preserving our financial capital and applying it to make new investments or develop staff or returning it to shareholders.

VALUE CREATED	STAKEHOLDERS	OUTCOMES
Market capitalisation: EUR769 million (2017: EUR1 385 million) The performance of Greenbay's share price is illustrated in the graphs provided on page 137 of this report. Distributions per share: 0,5481 EUR cents (2017: 0,4668 EUR cents)	» Investors and analysts » Financiers	Investor confidence and loyalty leverage
Listed infrastructure: EUR438,1 million (2017: EUR497,5 million) See page 2. Listed real estate: EUR251,5 million (2017: EUR331,4 million) See page 2. Direct property: EUR292,7 million (2017: EUR184,4 million) See page 2.	» Suppliers » Property managers » Government and local authorities	Quality investments and investment returns
	» Tenants » Communities » Industry associations and regulatory bodies	Mutually rewarding relationships with industry, tenants and the communities we operate in
	» Employees	Highly regarded and experienced management team with property and investment-specific knowledge
	» Environment	Doing no harm

OUR RISKS AND OPPORTUNITIES

Risk is the volatility of unexpected outcomes. Within the Greenbay framework, this would specifically relate to the adverse impact on the value of its assets, equity or earnings.

Risk management is the discipline by which risks are identified, assessed and prioritised. It is essential to understand the multiple dimensions of risk in order to manage these effectively, with the aim of increasing shareholder value.

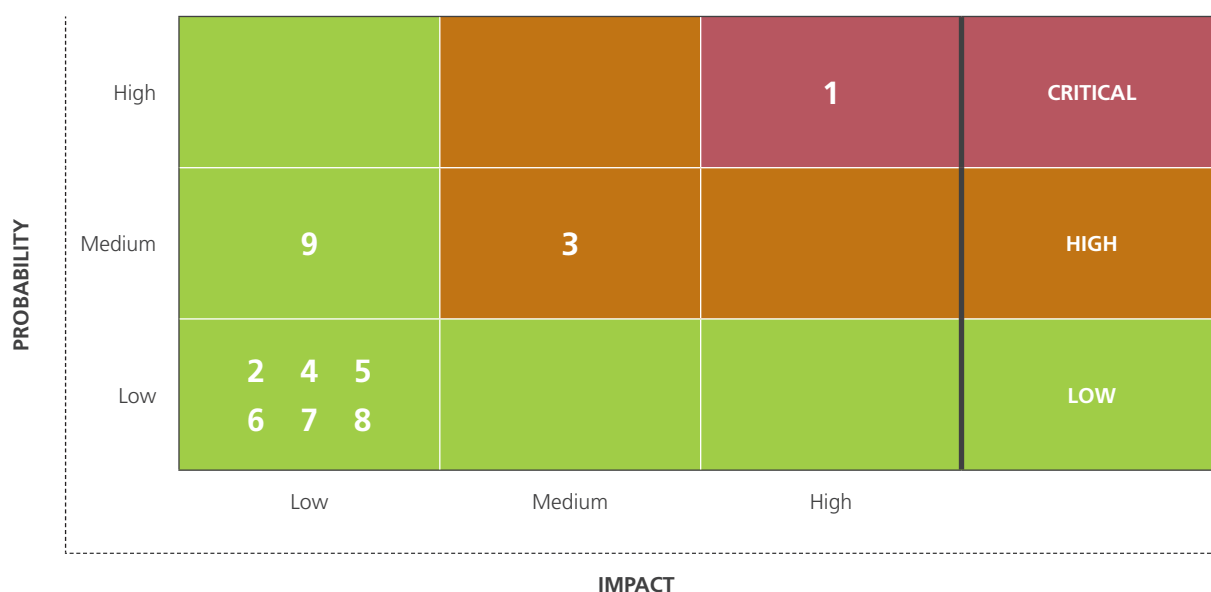
Risk management is essential for improved performance, growth and sustainable value creation. The process for identifying and managing risks has been set by the board. The board has overall responsibility for risk management and has delegated the responsibility for monitoring risk management processes and activities to Greenbay's risk committee. The day-to-day responsibility for risk management, including maintaining an appropriate internal control framework, remains the responsibility of Greenbay's executive management.

Risk management is an integral part of the company's strategic management and is the mechanism through which risks associated with the company's activities are addressed. The key objectives of the risk management system include:

- » Identification, assessment and mitigation of risks on a timely basis;
- » Provision of timely information on risk situations and appropriate risk responses;
- » Identification of potential opportunities which would result in increasing firm value; and
- » Instilling a culture of risk management throughout the Greenbay group.

Risks are monitored via the risk management framework in terms of which management identifies risks, documents these in the risk matrix and assesses the probability of their occurrence as well as the potential impact of the risk on the organisation. Each identified risk is then managed and, where possible, mitigated. Due to the dynamic nature of the economic environment in which Greenbay operates, risks, and the impacts thereof, change constantly. Accordingly, risk management is a dynamic and ongoing discipline which is continuously adapted to its environment.

The **residual risks** facing Greenbay are presented on the heat map below:



The numbers on the heat map correspond with those on the following pages.

RISK DESCRIPTION	EFFECT ON VALUE CREATION	STAKEHOLDERS AFFECTED	KEY MITIGANTS
1 / INVESTMENTS			
» Delays in executing appropriate direct property investment and development strategies, or executing in less favourable conditions » Increased competition due to availability of capital in the market » Currency fluctuations » Destruction of direct investments » Physical deterioration of direct investments » Liquidity risk/failure to raise capital	» Net asset value » Total direct investment return (income and capital) » Distributions	» Shareholders » Tenants » Operators » Direct property managers » Employees » Financiers » Suppliers	» Defined investment strategy » Defined asset appraisal process » Review of all opportunities against predetermined criteria » Monitoring macroeconomic and property market trends » Analysing an extensive pipeline » Conservative currency hedging » Hedging effectiveness regularly monitored » Insurance cover is carefully monitored to ensure that it is sufficient » Direct investment managers perform regular property inspections » Ensure investor confidence by declaring distributions and making relevant and timely announcements to stakeholders
2 / DEVELOPMENT			
» Development and construction risk including contractor solvency and availability	» Reduced development returns » Cost overruns » Programme delays leading to potential loss of occupier revenue » Failure to secure planning permission	» Shareholders » Tenants » Operators » Direct property managers » Financiers » Suppliers	» Close supply chain relationships facilitate assessment and monitoring » Assessment of contractors prior to appointment
3 / INVESTOR DEMAND			
» Decrease in demand by investors for real estate	» Net asset value » Potential pressure on banking covenants	» Shareholders	» Investing in prime properties » Strong financial covenants » Active asset management
4 / DIRECT PROPERTY OCCUPIER MARKET			
» Reduced retail occupier demand for space, increased supply and occupier defaults	» Rental income and cash flow » Empty unit (void) costs » Net asset value » Reduced strength of occupier covenant and increased arrears/bad debts » Cost of occupier incentives for new lettings	» Shareholders » Tenants » Direct property managers » Financiers » Suppliers » Prime brokers	» Diversified occupier base » Long leases and strong financial covenants » Quality assets easier to re-let » Close occupier relationships assist in understanding changing requirements » Review of consumer trends » Retail occupiers at risk monitored regularly
5 / FINANCING AVAILABILITY			
» Shortage of financing or refinancing at acceptable cost » Adverse changes in macroeconomic conditions or the group's performance may lead to rating downgrade and/or unavailability of capital	» Inability to fund property investments or development programme » Increased cost of finance	» Shareholders » Financiers	» Spread of sources of finance and maturity of facilities » Committed but undrawn facilities maintained » Continuing and extensive capital market and bank relationship management

OUR RISKS AND OPPORTUNITIES continued

RISK DESCRIPTION	EFFECT ON VALUE CREATION	STAKEHOLDERS AFFECTED	KEY MITIGANTS
6 / COST OF FINANCE			
» Adverse interest rate movements	» Increased cost of borrowing and hedging	» Shareholders » Financiers » Prime brokers	» Conservative interest rate hedging policy » Exposure reduced by replacing variable interest loans with fixed interest loans/facilities » Hedging effectiveness regularly monitored
7 / CREDIT RISK			
» Financial counterparty credit risk	» Loss of hedge » Loss of deposits » Cost of rearranging facilities » Incremental changes in financing rate	» Shareholders » Financiers » Prime brokers	» Summary of exposures by bank and credit ratings reviewed monthly » Spread of sources of finance and maturity of facilities » Cash placed across a range of deposit accounts » Creditworthiness of counterparties assessed
8 / LISTED SECURITIES			
» Risk of underperformance of investments, specifically forecast dividends not being received » Risk of financial loss to the group if a counterparty to a financial instrument fails to meet its contractual obligations » Funding liquidity risk » Market risk – securities investments represent potential risk of loss of capital » Portfolio concentration in certain assets/sectors represent a higher risk to market fluctuation	» Distributable income is reduced due to the reduction of dividends received from investments » Inability to meet obligations which may force early liquidation of the position as a result of margin calls	» Shareholders » Prime brokers	» Management monitors the performance of listed counters on a daily basis. All investments are made in accordance with the investment mandate and the board monitors compliance with mandates on a quarterly basis » Financial instruments are entered into with reputable financial institutions » The company limits its exposure to credit risk by only investing in liquid securities and only with globally recognised financial institutions and/or counterparties that are listed on a recognised stock exchange » Ensuring that sufficient cash reserves are held by proper planning of cash flow needs by setting limits on cash flow gaps, by diversification and by lending due consideration to how new funds can be raised to meet cash shortfalls » Investing in direct equity of companies on a global basis to achieve diversification on a geographic basis in the equity asset class » The board reassess its investment strategy on a periodic basis to ensure that it is aligned with the objectives of the company, while considering stakeholders' interests
9 / OPERATIONS			
» Key-man risk » Business continuity risk » Underperformance of property managers » Regulatory risk	» Net asset value » Share value » Shareholder earnings (distribution) » Rental income and cash flow » Reduced strength of occupier covenant and increased arrears/bad debts	» Shareholders » Tenants » Direct property managers » Financiers » Suppliers	» Ensuring that the remuneration of key staff is aligned with the interests of shareholders » Ensuring that the business continuity plan is executable » Performing daily back-ups of data » Compliance with service level agreements is monitored regularly » Management reviews monthly reports and meets with the property managers on a regular basis



DEAR SHAREHOLDERS,

We are pleased to present our integrated report, setting out this year's achievements.

The past year has seen further increases in short-term interest rates by the Federal Reserve Bank, as well as elevated geopolitical concerns surrounding US tariffs and trade policy. Due to global equity markets' volatility, the company's performance varied during the year as a weak first half was offset by a strong second half. I'm pleased to report the following specific key outcomes:

- » An interim distribution of 0,2885 EUR cents per share was paid and a final distribution of 0,2596 EUR cents per share has been declared for the six months ended September 2018, resulting in a total distribution of 0,5481 EUR cents per share for the year, an increase of 17,4% over the distributions paid in respect of the previous financial year;
- » Greenbay increased its exposure to high quality retail properties in Portugal; acquiring the remaining 50% in Forum Coimbra and Forum Viseu which it did not previously own. The major asset, Forum Coimbra, is regionally-dominant and is delivering consistent and sound growth;
- » During the year, Greenbay disposed of its Tivoli land development in Ljubljana, Slovenia for EUR16,2 million against the book value of EUR14,0 million; and
- » Greenbay's NAV per share (after distributions paid) has grown by 0,7% during the 2018 financial year and since inception has generated a Euro-denominated internal rate of return (based on the company's net asset values and distributions related to this period) to shareholders of 21,7% p.a.

Post year-end, EUR600 million in capital was returned to shareholders. The reduced capital base increased the portion of capital invested in direct property. Greenbay will continue to source redevelopment opportunities in the European market. To this end, the head of investments will be joining the Amsterdam office to drive this process.

In the year ahead, Greenbay will be focused on achieving the following specific strategies and objectives:

- » Continue to grow the resource capability in Amsterdam to facilitate growth in Europe;
- » Enhance Euro yields in existing properties through asset management strategies;
- » Meet timelines for the current properties under redevelopment, and pursue further opportunities in this regard;
- » Assess various redevelopment opportunities in Europe that meet Greenbay's investment criteria;
- » Continue to sell remaining listed holdings as opportunities in physical real estate arise; and
- » Forecast distribution per share for the 2019 financial year of between 2,5 and 3,5 EUR cents.

I thank management, staff and my fellow directors for their support and look forward to working towards the outlined strategies and objectives.

Sincerely

A handwritten signature in black ink, appearing to read 'Terry Warren', followed by a horizontal line.

Terry Warren
Chairman

17 January 2019

DIRECTORS' REPORT

NATURE OF THE BUSINESS

Greenbay shareholders approved the change of name of the company from Greenbay Properties Ltd to Lighthouse Capital Limited at the general meeting held on 20 November 2018.

Greenbay is a Global Business Licence company registered in Mauritius. The company has primary listings on both the Official Market of the Stock Exchange of Mauritius Limited and the Main Board of the Johannesburg Stock Exchange Limited ("JSE"). Greenbay invests globally in direct property and listed real estate securities.

DISTRIBUTABLE EARNINGS AND COMMENTARY ON RESULTS

The board has declared a distribution of 0,2596* EUR cents per share for the six months ended 30 September 2018. This together with the 0,2885* EUR cents per share for the interim period results in a total distribution of 0,5481* EUR cents per share for the 2018 financial year. The growth in distribution per share for the 2018 financial year of 17,4% is in line with guidance provided in the June 2018 results announcement.

The board has decided to declare 99,0% of total distributable income as a distribution for the six months ended 30 September 2018. The total payout ratio for the 2018 financial year is 99,5%.

The past year has seen further increases in short-term interest rates by the Federal Reserve Bank, as well as elevated geopolitical concerns surrounding US tariffs and trade policy. Due to global equity markets' volatility, the company's performance varied during the year as a weak first half was offset by a strong second half. The net asset value per share increased from 9,59* EUR cents at September 2017 to 9,66* EUR cents at September 2018 (prior to the capital repayments), an increase of 0,7%.

During the financial year, the company repurchased 332 303 187 shares at prices below its net asset value, representing 3,5% of the issued share capital of the company.

At September 2018, the loan-to-value ratio was 8,3%. This is well below the board's limit of 45% as gearing was reduced in anticipation of the return of capital to shareholders in October 2018.

* Based on the number of issued shares as at 30 September 2018, net of treasury shares held.

RETURN OF CAPITAL AND COMPANY CLASSIFICATION

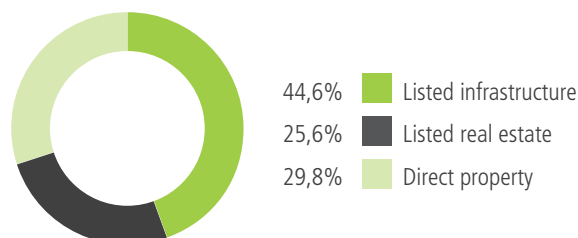
In line with the strategy of returning excess capital, EUR300 million was paid to shareholders on 8 October 2018. A further EUR300 million was paid to shareholders on 10 December 2018.

Following the return of capital on 10 December 2018, Greenbay will be engaging with the JSE to change its classification from an investment company to a property company.

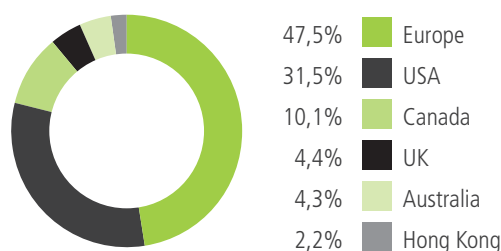
INVESTMENT PORTFOLIO

At 30 September 2018, Greenbay's portfolio composition was as follows:

Sectoral profile based on fair value of assets



Geographical profile based on fair value of assets



The top ten investments by fair value as at 30 September 2018 are set out below:

Investment	Primary sector	Jurisdiction	Fair value as at Sep 2018 EUR '000
Forum Coimbra	Direct property	Europe	194 754
Planet Koper	Direct property	Europe	57 749
TransCanada Corp	Infrastructure	Canada	53 380
Unibail-Rodamco-Westfield	Real estate	Europe	52 448
Enterprise Products Partners LP	Infrastructure	USA	46 495
Enbridge Inc	Infrastructure	Canada	46 000
Kinder Morgan Inc/DE	Infrastructure	USA	45 070
Klepierre SA	Real estate	Europe	43 200
NextEra Energy Inc	Infrastructure	USA	41 855
E.ON SE	Infrastructure	Europe	41 529

DIRECT INVESTMENTS

Greenbay's direct property exposure increased with the acquisition of the remaining share in its two retail assets in Portugal during the year. The major asset, **Forum Coimbra**, continues to perform well. It recorded increased footfall and an average positive rental reversion of 4,9%. Tenant demand remains strong, with new international brands including JD Sports, Zippy, Pandora, Flying Tiger Copenhagen and KFC being introduced during the year. Rentals from new tenants were 8,1% higher than those from the vacated tenants. Greenbay is considering the acquisition of additional land to facilitate an extension to meet tenant demand.

The vacancy at **Forum Viseu** has reduced from 7,7% to 3,1%. The centre continues to leverage off its central location with lease negotiations on the remaining vacant space progressing well.

Portugal's economy has continued to improve, with second quarter year-on-year GDP growth of 2,3%. Portugal's year-on-year growth in retail sales was 3,8% for September 2018. The year-on-year harmonised index of consumer price inflation was 1,2% for September 2018.

Planet Koper is undergoing a major redevelopment and reconfiguration, which will completely change the look and feel of the mall, as well as significantly enhance the fashion and food offering. The food court will include at least eight restaurants and new international fashion brands will be utilising Planet Koper as their platform for their expansion into Slovenia. H&M has increased its store size and upgraded to

its new format during the year. Pandora, Women's Secret and Athlete's Foot were added to the mall during the year. Eight stores were re-let to new tenants with these leases achieving an average positive reversion of 25%.

Greenbay disposed of its **Tivoli** land development in Ljubljana, Slovenia for EUR16,2 million against the book value of EUR14,0 million.

LISTED INVESTMENTS

The sale of listed holdings to fund the return of capital to shareholders provided an opportunity to reduce the number of listed investments in the portfolio. The geographical spread and composition of the listed portfolio have changed significantly, but remain well-diversified and liquid.

The listed infrastructure sector performed well and has exceeded guidance and market growth expectations. Prior to the decline in the oil price, Greenbay reduced its investments in the energy pipeline companies. Global merger and acquisition activity continues to highlight the value in the listed infrastructure market as transactions are occurring at significant premiums to share prices.

Despite elevated merger and acquisition activity, the listed real estate sector, particularly retail REITs, performed poorly. Retail REITs have historically been defensive, however, the sector has been negatively affected by store closures and increased penetration of online shopping. The listed retail real estate sector now trades at lower valuations than comparable direct real estate investments.

DIRECTOR'S REPORT continued

FACILITIES, HEDGES AND DERIVATIVES

The board's policy is to hedge 90% of non-EUR denominated distributable income receivable and 25% of the USD directly-held capital exposure is hedged against the EUR.

Foreign exchange ("FX") hedging profile

	Zero to 12 months			One to two years		
	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR
2018						
GROUP						
AUD/EUR	7 339 169	1,5830	66 794	3 571 547	1,6280	72 101
CAD/EUR	8 007 106	1,5632	(68 707)	6 651 865	1,5723	5 235
GBP/EUR	2 570 711	0,8976	8 656	524 517	0,9176	(2 572)
HKD/EUR	13 274 094	9,6687	(58 774)	5 232 123	9,5974	(1 505)
SGD/EUR	1 152 555	1,6434	7 645	821 666	1,6725	(5 325)
USD/EUR	25 477 157	1,2161	(392 400)	25 551 365	1,2403	(165 687)
			(436 786)			(97 753)

SUMMARY OF FINANCIAL PERFORMANCE

	Distribution per share EUR cents	Shares in issue [#]	Net asset value per share EUR cents	Loan-to- value ratio* %
September 2017	0,2360	9 322 176 525	9,59	10,1
December 2017	–	9 488 106 526	9,68	28,7
March 2018	0,2885	9 488 106 526	8,82	31,3
June 2018	–	9 486 106 526	9,41	35,1
September 2018	0,2596	9 119 388 804	6,50 [^]	8,3

* The loan-to-value ratio is calculated by dividing total interest-bearing borrowings adjusted for cash on hand by the total of investments in property, listed securities and loans advanced.

[#] Net of treasury shares.

[^] The September 2018 net asset value per share is EUR9,65 cents per share after adding back the repayment of capital accrued for as of the reporting date.

OUTLOOK

The European real estate market is generally regarded as being at the peak of its cycle. There are numerous assets available for sale, particularly in the Iberian market. Greenbay believes that most of these assets offer limited growth opportunities.

Greenbay has a competent and experienced property team with strong development, retail and asset management skills. The existing property portfolio offers attractive opportunities. In addition, a number of redevelopment opportunities are being assessed where Greenbay believes there is still attractive value.

The company will continue to sell its remaining listed holdings as opportunities in physical real estate arise.

The share consolidation summary of the estimated net asset value per share, the 2018 final distribution per share and the 2019 distribution forecast are shown below:

	Before the consolidation of shares Number of shares	After the consolidation of shares Number of shares
Issued shares	9 488 106 526	474 405 326*

* After taking into account the rounding of fractions and consolidation on a 1 for 20 basis.

	EUR cents per share	EUR cents per share
Estimated net asset value per share as of 30 November 2018 (post the returns of capital on 10 October 2018 and 10 December 2018, and the distribution for the six months ended September 2018)	2,6183	52,3666
Final distribution per share declared for the six months ended September 2018	0,2596	5,1920
Forecast distribution per share for the 2019 financial year	n/a	2,5 to 3,5

The distribution forecast is based on the following assumptions:

- » That a stable global macroeconomic environment will prevail;
- » That there will be no failures of material tenants in the direct property portfolio;
- » That there will be no failures of material listed securities or investment counterparties;
- » That there will be no material changes in the regulatory or taxation environment;
- » That the company maintains a loan-to-value ratio of approximately 40% (with a maximum loan-to-value ratio of 45%); and
- » That the future direct property acquisitions will be funded by the sale of listed investments.

This forecast statement and the forecasts underlying such statement are the responsibility of the board and have not been reviewed or reported on by the company's external auditor.



FORUM VISEU

Florista
→



CORPORATE GOVERNANCE

HOW WE ARE GOVERNED

Greenbay is committed to the highest standards of ethics and corporate governance.

The board of directors endorses the code of corporate practices and conduct as set out in the Code of Corporate Governance for Mauritius 2016 ("the Code"). The disclosures included in this review are consistent with the requirements of the Code. Independent consultants have been made available to members of the board to ensure that all directors are fully conversant with best practice and current thinking with regard to corporate governance.

As a JSE-listed entity Greenbay also complies with the JSE Listings Requirements. The board applies best practice principles, as contained in the King IV Report on Corporate Governance for South Africa 2016 ("King IV"), where appropriate. The board structure is unitary.

KING IV AND THE CODE

The board has satisfied itself that Greenbay has substantially applied the principles set out in King IV and the Code.

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of four governance outcomes. The desired governance outcomes are listed below, together with the practices implemented and progress made towards achieving the 17 principles in meeting those outcomes. It is done on an "apply and explain" basis, as recommended by King IV.

The eight principles of the Code are likewise treated on an "apply and explain" basis.

So as to avoid unnecessary duplication of information, we discuss our application of both codes below:

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME ONE: ETHICAL CULTURE		
Principle 1 Governance structure All organisations should be headed by an effective board. Responsibilities and accountabilities within the organisation should be clearly identified.	Principle 1 The board leads ethically and effectively	Greenbay's board of directors is its governing body. The directors hold one another accountable for decision-making and behave ethically, as characterised in King IV. The chairman is tasked to monitor this as part of his duties. Ultimate control of the company rests with the board of directors while the executive management is responsible for the proper management of the company. To achieve this, the board is responsible for establishing the objectives of the company and setting a philosophy for investments, performance and ethical standards. Although quarterly board meetings are arranged every year, additional meetings are called should circumstances require it. Four board meetings were called during the 2018 financial year. The chairman, with the assistance of the company secretary, led a formal review of the effectiveness of the board and its committees. Each director completed a detailed evaluation questionnaire and an analysis of the findings was presented to the board. There was agreement that the board was operating effectively. The results were positive and no action plans were deemed to be required. No external evaluator was used. The board has approved appropriate key performance indicators of the key senior governance positions. The board has approved a statement of accountabilities.

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME ONE: ETHICAL CULTURE continued		
	Principle 2 The board governs the ethics of Greenbay in a way that supports the establishment of an ethical culture	The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the group and its stakeholders. It is the primary body responsible for the corporate governance values of the group. While control is delegated to management in the day-to-day management of the group, the board retains full and effective control over the group. A formal board charter, as recommended by King IV, has been adopted. All directors subscribe to a code of ethics. The code deals with duties of care and skill, as well as those of good faith, including honesty, integrity and the need to always act in the best interests of the company. Procedures exist in terms of which unethical business practices can be brought to the attention of the board by directors or employees. Board charter In order to fulfil its duties, the board has adopted a charter setting out its responsibilities. The board reviewed this charter in 2018 and reviews it at least annually. The board acknowledges that it is responsible for ensuring the following functions as set out in the board charter: » Good corporate governance and implementation of the code of corporate practices and conduct as set out in the Code and King IV; » That the company performs at an acceptable level and its affairs are conducted in a responsible and professional manner; and » The board recognises its responsibilities to all stakeholders. Although certain responsibilities are delegated to committees or management executives, the board acknowledges that it is not discharged from its obligations in respect of these matters. The board acknowledges its responsibilities as set out in the board charter in the following areas: » The adoption of strategic plans and ensuring that these plans are carried out by management; » Monitoring the operational performance of the business against predetermined budgets; » Monitoring the performance of management at both operational and executive levels; » Ensuring that the company complies with all laws, regulations and codes of business practice; and » Ensuring a clear division of responsibilities at board level to ensure a balance of power and authority in terms of group policies to ensure that no one director has unfettered power of decision making. Code of ethics The board of directors forms the core of the values and ethics subscribed to by the company through its various bodies and committees. These values and ethics are sustained by the directors' standing and reputation in the business community and their belief in free and fair dealings in utmost good faith and respect for laws and regulations. Greenbay has a code of ethics communicated to all staff. The code of ethics stipulates, among other things, that all stakeholders are expected to act in good faith, that bribery in any form is not tolerated, all conflicts of interest need to be declared and that compliance with all legislation is of the utmost importance. The code of ethics and compliance with the code of ethics are reviewed by the social and ethics committee on an annual basis. The board is not aware of any transgressions of the code of ethics during the financial year. No issues of non-compliance, fines or prosecutions have been levied against Greenbay.
	Principle 3 The board ensures that Greenbay is and is seen to be a responsible corporate citizen	The board is the guardian of the values and ethics of the group and ensures that it is seen as a responsible corporate citizen. The responsibility for monitoring the overall responsible corporate citizenship performance of the organisation was delegated to the social and ethics committee by the board. <i>Refer to the report of the social and ethics committee on pages 46 and 47 for more detail on how Greenbay addressed responsible citizenship.</i>
GOVERNANCE OUTCOME TWO: PERFORMANCE AND VALUE CREATION		
	Principle 4 The board appreciates that Greenbay's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process	The board's primary responsibility is to ensure that Greenbay creates value for its shareholders. In so doing, it considers the legitimate interests and expectations of stakeholders, which include present and potential future investors in Greenbay. This integrated report demonstrates how performance is achieved through the strategic initiatives. Greenbay sets and achieves its strategic initiatives with reference to its risks and opportunities. The board assesses both the positive and negative outcomes resulting from its business model continuously and responds to it. <i>Refer to Greenbay's business model and explanation of how the inseparable elements of the value creation process are linked, which is summarised on pages 10 and 11.</i>

HOW WE ARE GOVERNED continued

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME TWO: PERFORMANCE AND VALUE CREATION continued		
Principle 6 Reporting with integrity The board should present a fair, balanced and understandable assessment of the organisation's financial, environmental, social and governance position, performance and outlook in its annual report and on its website.	Principle 5 The board ensures that reports issued by Greenbay enable stakeholders to make informed assessments of Greenbay's performance and its short, medium and long-term prospects	The board is responsible for formulating its communication policy and ensuring that spokespeople of the company adhere to it. This responsibility includes clear, transparent, balanced and truthful communication to shareholders and relevant stakeholders. In its interim and integrated reports to stakeholders, Greenbay details both its historical performance and an assessment of the organisation's financial, environmental, social and governance position performance and outlook. This, together with further information in those and other communications, enables stakeholders to make informed assessments of Greenbay's prospects. Greenbay's ability to create value in a sustainable manner is illustrated throughout its business model. <i>See pages 16 to 19 for Greenbay's detailed performance over the past year.</i> <i>See page 19 for Greenbay's outlook for the future.</i>
GOVERNANCE OUTCOME THREE: ADEQUATE AND EFFECTIVE CONTROL		
	Principle 6 The board serves as the focal point and custodian of corporate governance in Greenbay	The board's role and responsibilities and the way that it executes its duties and decision-making are documented and are set out in the board charter. The board meets once every quarter. Should an important matter arise between scheduled meetings, additional meetings may be convened. Before each board meeting, an information pack, which provides background information on the performance of the group for the year to date and any other matters for discussion at the meeting, is distributed to each board member. At its meetings, the board considers both financial and non-financial, or qualitative, information that might have an impact on stakeholders. <i>Details of the board meetings held during the year ended 30 September 2018, as well as the attendance at the board meetings by individual directors, are disclosed on page 32.</i>
Principle 2 The Structure of the Board and Its Committees The board should comprise independent-minded directors. It should include an appropriate combination of executive directors, independent directors and non-independent non-executive directors to prevent one individual or a small group of individuals from dominating the board's decision-taking. The board should be of a size and level of diversity commensurate with the sophistication and scale of the organisation. Appropriate board committees may be formed to assist the board in the effective performance of its duties.	Principle 7 The board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively	The board, with the assistance of the nomination committee, considers, on an annual basis, its composition in terms of balance of skills, experience, diversity, independence and knowledge and whether this enables it to effectively discharge its role and responsibilities. The board is satisfied that there is a balance of skills, experience, diversity, independence and knowledge needed to discharge its role and responsibilities. The board has taken steps to strengthen its succession plan to also include an immediate and interim succession plan in the event of an unforeseen event. The board is committed to actively managing diversity as a means of enhancing the company's performance by utilising the contribution of the diverse skills and talents from its directors. In the current year, the board approved a policy on gender diversity at board level which requires the nomination committee to consider a broad and diverse pool of talent when considering board appointments. The need for gender diversity must be balanced with the need to appoint individuals with the necessary skills and experience to serve on the board. The board assumes the responsibilities for the induction of new directors to the board. No new members were appointed during the year under review. New directors, if required, will participate in an induction and orientation process when appointed. At this point in time, the board has not established a target for the appointment of women to the board. The policy will be reviewed on an annual basis to ensure that it continues to facilitate the principles of gender diversity at board level. The board comprises three executive directors, four independent non-executive directors and one non-independent non-executive director. All directors serve for a maximum period of one year and are subject to retirement by rotation and re-election by members in a general meeting. Board appointments are made in terms of the policy on nominations and appointments. Board appointments are transparent and a matter for the board as a whole. There are no fixed-term contracts for executive directors and the notice period for termination or resignation is one calendar month. There is no restraint of trade period for executive directors. Greenbay believes that all board members are suitably qualified and that the composition of the board is in the best interests of all stakeholders, without prejudice to them. The directors are individuals of a high calibre with diverse backgrounds and expertise, facilitating independent judgement and broad deliberations in the decision-making process. Professional development and ongoing education of each individual director is available as and when required. <i>For details of directors' full names, their dates of appointment and other listed directorships as well as a brief career and sphere of influence synopsis of each of the directors, refer to pages 31 and 32.</i>

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME THREE: ADEQUATE AND EFFECTIVE CONTROL continued		
Principle 3 Director's appointment procedures There should be a formal, rigorous and transparent process for the appointment, election, induction and re-election of directors. The search for board candidates should be conducted, and appointments made, on merit, against objective criteria (to include skills, knowledge, experience, and independence and with due regard for the benefits of diversity on the board, including gender). The board should ensure that a formal, rigorous and transparent procedure be in place for planning the succession of all key officeholders.		The board of directors' independence from the executive management team is ensured by the following: » Separation of the roles of chairman and chief executive officer, with the chairman being independent; » The board being dominated by independent non-executive directors; » The audit, investment, nomination, remuneration, risk and social and ethics committees having a majority of independent non-executive directors; » Non-executive directors not holding service contracts; » All directors having access to the advice and services of the company secretary; and » With prior agreement from the chairman, all directors are entitled to seek independent professional advice concerning the affairs of the company at the company's expense. The following independent non-executive directors chair the various sub-committees of the board: » Audit: Karen Bodenstein » Investment: Mark Olivier » Nomination: Mark Olivier » Remuneration: Barry Stuhler » Risk: Karen Bodenstein » Social and ethics: Barry Stuhler The independence of the non-executive directors was assessed and four are considered independent in terms of the requirements of the Code. Independent evaluations will be performed annually. The chairperson: » Provides leadership to the board of directors in establishing and implementing the company's strategy; » Ensures that committees are properly structured with appropriate duties; » Advises and provides support to the chief executive officer; » Ensures that directors receive accurate, timely and clear information; and » Ensures that development needs of the directors are identified and that appropriate training is provided to continuously update their skills and knowledge. No fixed-time commitment is expected of the chairman. The chairman recognises the need for availability in the event of crises. The chairman had other significant commitments before appointment and no changes to commitments have occurred.
	Principle 8 The board ensures that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties	The board has established six sub-committees to assist the directors in fulfilling their duties and responsibilities. Each committee has a formal charter and reports to the board at regular intervals. The charters, which set out the objectives, authority, composition and responsibilities of each committee, have been approved by the board and are reviewed at least annually. All the committees are free to take independent outside professional advice, as and when required, at the expense of the company. Membership of the committees is as recommended in King IV. The composition of the committees of the board and the distribution of authority between the chairman and other directors is balanced and does not lead to instances where individual(s) dominate decision-making within governance structures or where undue dependency is caused. <i>See page 32 for the members of each committee.</i> It is not a requirement in terms of either the constitution or the board charter that directors own shares in the company. The non-executive directors have not received remuneration in the form of share options or bonuses associated with organisational performance. <i>Directors' interests in the ordinary shares of the company are disclosed on page 33.</i> The audit committee is satisfied that the auditor is independent as non-audit services are not performed and the audit firm has been appointed with the designated partner having oversight of the audit. The chief financial officer is the head of the finance function and he has a senior manager reporting to him. Internal audit is fully outsourced and the chief financial officer is responsible for overseeing and coordinating the effective functioning of the outsourcing arrangement. An assessment of the effectiveness of the chief financial officer function is performed annually by the audit committee.

HOW WE ARE GOVERNED continued

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME THREE: ADEQUATE AND EFFECTIVE CONTROL continued		
Principle 4 Directors' duties, remuneration and performance Directors should be aware of their legal duties. Directors should observe and foster high ethical standards and a strong ethical culture in their organisation. Each director must be able to allocate sufficient time to discharge his or her duties effectively. Conflicts of interest should be disclosed and managed. The board is responsible for the governance of the organisation's information, information technology and information security. The board, committees and individual directors should be supplied with information in a timely manner and in an appropriate form and quality in order to perform to required standards. The board, committees and individual directors should have their performance evaluated and be held accountable to appropriate stakeholders. The board should be transparent, fair and consistent in determining the remuneration policy for directors and senior executives.	Principle 9 The board ensures that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness	After evaluating their performance internally in terms of their respective charters, the directors are of the opinion that the board and the sub-committees have discharged all their responsibilities. Assessments of the performance of the chief executive officer and company secretary are conducted annually and no major issues or concerns have been identified. Company secretary The board has considered the competence, qualifications and experience of the company secretary, Intercontinental Trust Ltd ("ITL"), and deemed it fit to continue in the role as company secretary for Greenbay. ITL is independent of Greenbay and the relationship with the board has been assessed and is considered to be at arm's length. The board has considered and has concluded that Teddy Lo Seen Chong's role as both director of ITL as well as non-independent non-executive director of Greenbay does not impact on the independence of the company secretary. In reaching this conclusion, the board has, amongst other things, considered the following factors: » ITL is one of the largest management companies in Mauritius and the provision of company secretarial functions is within the ordinary course of its business; » ITL is paid a market-related fee for these services by the company, which is governed by a service level agreement between Greenbay and ITL; » ITL itself is not a director of Greenbay; » Teddy Lo Seen Chong is an executive director of ITL and his position as executive director does not involve oversight over the day-to-day company secretarial functions undertaken by ITL for Greenbay; » Teddy Lo Seen Chong is not the point of contact between Greenbay and ITL pertaining to company secretarial matters. In addition, no correspondence pertaining to company secretarial matters is sent to him unless it involves the business of the non-executive directors of Greenbay and other non-executives are also included; » Teddy Lo Seen Chong is not responsible for the engagement between Greenbay and ITL from ITL's perspective; and » The board undertakes an evaluation of the company secretary on an annual basis and has concluded that it is sufficiently independent and has the requisite qualifications, experience and competence to fulfil the role of company secretary. The company secretary maintains an interests register and is available for consultation to shareholders upon written request to the company secretary. All conflicts of interest and related party transactions have been conducted in accordance with the conflicts of interest and related party transactions policy and code of ethics. The company's policy is to outsource information, information technology and information security services to third parties. Information governance is exercised through a service level agreement with an IT services provider (XContent). Only executive directors and employees with specific password access have the right of access to information. The executive monitors and evaluates significant expenditures on information technology in accordance with the company's annual budgeted expenses.

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME THREE: ADEQUATE AND EFFECTIVE CONTROL continued		
	Principle 10 The board ensures that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities	In terms of its formal charter, the board's responsibilities include the appointment of the chief executive officer and the approval of corporate strategy, risk management and corporate governance. The board reviews and approves the business plans and monitors the financial performance of the group and implementation of the strategies. Board members have full and unrestricted access to management and all group information and property. They are entitled, at the cost of the group, to seek independent professional advice in the fulfilment of their duties. Directors may meet separately with management, without the attendance of executive directors. A detailed delegation of authority policy and framework indicate matters reserved for the board and those delegated to management. The board is satisfied that Greenbay is appropriately resourced and that its delegation to management contributes to an effective arrangement by which authority and responsibilities are exercised. The chief executive officer has a contract that can, subject to fair labour practices, be terminated upon one month's notice. In terms of the constitution, the retirement age of an executive director is 60, but the board has the discretion to extend it to 65. He does not have any work commitments outside of Greenbay and its related companies. A succession plan for the chief executive officer is in place.
Principle 5 Risk governance and internal control The board should be responsible for risk governance and should ensure that the organisation develops and executes a comprehensive and robust system of risk management. The board should ensure the maintenance of a sound internal control system.	Principle 11 The board governs risk in a way that supports Greenbay in setting and achieving its strategic objectives	The risk committee assists the board with the governance of risk. The board is aware of the importance of risk management as it is linked to the strategy, performance and sustainability of Greenbay. The risk committee implements a process whereby risks to the sustainability of the company's business are identified and managed within acceptable parameters. The risk committee delegates to management to continuously identify, assess, mitigate and manage risks within the existing and ever-changing risk profile of Greenbay's operating environment. Mitigating controls are formulated to address the risks and the board is kept up to date on progress on the risk management plan. The company has established whistle-blowing rules and procedures. No reports were received during the year. <i>See pages 12 to 14 for an overview of the risks to value creation in Greenbay.</i>
	Principle 12 The board governs technology and information in a way that supports Greenbay in setting and achieving its strategic objectives	The risk committee assists the board with the governance of information technology ("IT"). The board is aware of the importance of technology and information as it is interrelated to the strategy, performance and sustainability of Greenbay. The board is ultimately responsible for IT governance. The Greenbay IT function is outsourced to a third-party service provider and is governed by a service level agreement. The risks and controls over IT assets and data are considered by the risk committee.
	Principle 13 The board governs compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports Greenbay being ethical and a good corporate citizen	A framework of financial reporting, internal and operating controls has been established by the board to ensure reasonable assurance as to the accurate and timeous reporting of business information, safeguarding of company assets, compliance with laws and regulations, financial information and general operations. The board reviewed and was satisfied with the effectiveness of the internal financial and operating controls, the process of risk management and the monitoring of legal governance compliance within the company. There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations.
	Principle 14 The board ensures that Greenbay remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term	Greenbay remunerates fairly, responsibly and transparently so as to promote the creation of value in a sustainable manner. <i>See the remuneration report on page 37 to 44.</i> The individual directors' remuneration is disclosed. Greenbay believes that this disclosure is sufficient and appropriately demonstrates alignment between remuneration and shareholders' returns.

HOW WE ARE GOVERNED continued

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME THREE: ADEQUATE AND EFFECTIVE CONTROL continued		
Principle 7 Audit Organisations should consider having an effective and independent internal audit function that has the respect, confidence and cooperation of both the board and the management. The board should establish formal and transparent arrangements to appoint and maintain an appropriate relationship with the organisation's auditors.	Principle 15 The board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of Greenbay's external reports	The board is satisfied that assurance results in an adequate and effective control environment and integrity of reports for better decision-making. <i>See page 34 for information on assurance contained in the audit committee's report.</i> External audit A key factor that may impair an auditor's independence is a lack of control over non-audit services provided by the external auditor. In essence, the external auditor's independence is deemed to be impaired if the auditor provides a service which: » Results in auditing of own work by the auditor; » Results in the auditor acting as a manager or employee of the company; » Puts the auditor in the role of advocate for the company; or » Creates a mutuality of interest between the auditor and the company. The company addresses this issue through three primary measures, namely: » Disclosure of the extent and nature of non-audit services; » The prohibition of selected services; and » Prior approval by the audit committee of non-audit services. Other safeguards encapsulated in the policy include: » The external auditor is required to assess periodically, in its professional judgement, whether it is independent of the company; » The audit committee ensures that the scope of the auditor's work is sufficient and that the auditor is fairly remunerated; and » The audit committee has primary responsibility for making recommendations to the board on the appointment, re-appointment and removal of the external auditor. The committee reviews audit plans for external audits and the outcome of the work performed in executing these plans. It further ensures that items identified for action are followed up. The external auditor reports annually to the audit committee to confirm that it is and has remained independent from the company during the financial year. The audit committee considered information pertaining to the balance between fees for audit and non-audit work for the company in 2018 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditor's independence. These fees are disclosed in note 16 of the annual financial statements. Furthermore, after reviewing a report from the external auditor on all its relationships with the company that might reasonably have a bearing on the external auditor's independence and the audit engagement partner and staff's objectivity, and the related safeguards and procedures, the committee has concluded that the external auditor's independence was not impaired. The audit committee approved the external auditor's terms of engagement, scope of work, the annual audit and the applicable levels of materiality. Based on submitted written reports, the committee reviewed, with the external auditor, the findings of its work and confirmed that all significant matters had been satisfactorily resolved. The committee determined that the 2018 audit was completed without any restriction on its scope. The audit committee assesses the performance of the auditor and has satisfied itself as to the suitability of the external auditor for re-appointment for the ensuing year. The current auditor, BDO & Co, has been the company's auditor for three years. A formal tender process was last conducted in 2016. Internal audit The company does not have a formalised internal audit department. This is primarily due to the fact that the majority of property management functions are outsourced to external property managers who are subjected to annual external audits. Similarly, the company relies on the internal audit function of the prime brokers through which the company places its listed investments. The board considers that the monitoring duties of the audit and risk committees are key to the effectiveness of the company's internal control framework and overall risk management. The audit committee continually examines the appropriateness of utilising independent internal auditors to periodically review activities of the company.

THE CODE	KING IV	EXPLANATION OF THE APPLICATION OF THE CODE AND KING IV
GOVERNANCE OUTCOME THREE: ADEQUATE AND EFFECTIVE CONTROL continued		
Principle 8 <i>Relations with shareholders and other key stakeholders</i> The board should be responsible for ensuring that an appropriate dialogue takes place among the organisation, its shareholders and other key stakeholders. The board should respect the interests of its shareholders and other key stakeholders within the context of its fundamental purpose.	Principle 16 In the execution of its governance role and responsibilities, the board adopts a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of Greenbay over time	Greenbay has identified its stakeholder groups and actively balances their legitimate and reasonable needs, interests and expectations. Greenbay is committed to ensuring timeous, effective and transparent communication with shareholders and other stakeholders. <i>See pages 8 and 9 for more information on stakeholder interaction.</i>
	Principle 17 The board ensures that responsible investment is practiced by Greenbay to promote the good governance and the creation of value by the companies in which it invests	Greenbay ensures, through active participation and representation, that it exercises its rights and obligations with regard to its investee companies.

WHO GOVERNS US



The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the group and its stakeholders.



CHAIRMAN**1. TERRY WARREN (63)***Independent non-executive chairman**(South African – based in Mauritius)***Date of appointment:** 11 August 2016**Date of resignation:** 17 January 2019***Listed company directorships:** 1

Terry has over 25 years' experience in the retail and wholesale industry. He started his career with the Spar Group before joining their wholesale division. Terry was one of the founding members and executive directors of CCW Wholesalers, later to become CBW Wholesalers under the Massmart Group, where he remained as an executive director. He engaged in residential property development on the KwaZulu-Natal South Coast and relocated to Mauritius in 2010.

and business development from 2013. Jan served as a director and trustee on numerous companies and trusts set up on behalf of high net worth individuals and families, corporations and various funds. Before joining Maitland, Jan managed a team at GMG Trust Company which provided independent administration services to corporate structures including syndications, securitisations, B-BBEE structures, hedge funds, property investment trusts and debenture trusts from 2009. During this time, he served as a director of various JSE-listed entities, including financial vehicles created by banks and other blue-chip organisations. From 2006 to 2009, Jan worked as a legal officer at Integer and was part of the team responsible for providing legal advice, collections, credit processes and product development. Jan holds a BCom (Law) degree from the University of Johannesburg.

He also holds a Mauritius Stockbroker Examination Certificate and is currently pursuing the business valuers designation.

7. MARK OLIVIER (50)*Independent non-executive director***(British – based in Mauritius)*

CA(SA)

Date of appointment: 28 June 2016**Listed company directorships:** 3**Committees:** Audit, investment (chairman), nomination (chairman) and remuneration

Mark has over 20 years' experience in managing debt, property and private equity assets and providing corporate finance and strategic advice, predominantly to public companies in the United Kingdom. Prior to founding Hibridge Capital (a London-based boutique private equity and advisory business) in 2003, Mark was a shareholder and employee of Hawkpoint Partners, which performed the management buy-out of NatWest Markets' corporate finance business. Mark worked for BoE Limited, where he served on the executive committee of the group's international business. Mark also worked at KPMG (London) as a manager. Mark is the chairman of Trellidor, the physical barrier security business in South Africa, and is the chairman of African Rainbow Capital Investments Limited, an investment holding company focused on investing in financial services businesses and acquiring majority or significant minority interests in non-financial services businesses.

8. BARRY STUHLER (61)*Independent non-executive director**(South African)*

BCom, BAcc, CA(SA)

Date of appointment: 16 August 2017**Listed company directorships:** 1**Committees:** Audit, investment, nomination, remuneration (chairman) and social and ethics (chairman)

Barry is a chartered accountant who completed his articles with Arthur Young. Barry's experience includes management of the Part Bond Scheme and Gilt Fund for Hill Samuel Merchant Bank. He was financial director of Integrated Property Resources and managing director of Intaprop Management Services, the property management company for the Intaprop group. In 1994, Barry cofounded Inline Properties, a property management and corporate property advisory company. Barry is a founding director of Resilient, of which he is currently a non-independent non-executive director. In 2004, he became managing director of Property Fund Managers Limited ("PFM"), the asset manager of Capital. He joined the Pangbourne Properties Limited board as executive director in 2007 and served as the managing director of the company from 2008 to 2015. After the merger with Pangbourne, Barry was reappointed as managing director of PFM. Subsequent to the merger between Capital and Fortress, Barry retired as an executive director.

EXECUTIVE DIRECTORS**2. STEPHEN DELPORT (37)***Chief executive officer**(South African)*

BSc (Hons) Mathematics

Date of appointment: 1 March 2016**Listed company directorships:** 1**Committees:** Investment and risk

Stephen has a BSc with a financial orientation, majoring in mathematics, mathematical statistics and economics; and a BSc (Hons) Mathematics from the University of Johannesburg. Stephen started his career in 2003 in the asset management industry as a research analyst. He has gained a thorough insight into the global listed real estate industry, having managed several types of portfolios to date including collective investment schemes, exchange trade funds and hedge funds. Stephen joined Resilient in 2007 and Rockcastle Global Real Estate Company Limited in 2012 and has been part of a successful and consistent property investment philosophy and process.

3. KOBUS VAN BILJON (42)*Chief financial officer**(South African – based in the Netherlands)*

CA(SA), CFA, CAIA, CGMA

Date of appointment: 16 August 2017**Listed company directorships:** 1

Kobus commenced his career at KPMG in Johannesburg, completed his articles in 2003 and focused on the banking and real estate sectors. In 2006 he transferred to KPMG in New York City, where he spent several years as consultant to global real estate and private equity asset management firms. He joined Rockcastle in 2014, initially working on Zambian retail property investments. In March 2015, he joined the Resilient Africa team in Lagos, Nigeria as chief financial officer.

4. JAN WANDRAG (39)*Chief operating officer**(South African – based in Mauritius)*

BCom (Law)

Date of appointment: 22 August 2016**Listed company directorships:** 1**Committee:** Social and ethics

Jan joined Greenbay from Maitland in Mauritius where he managed their operations

NON-EXECUTIVE DIRECTORS**5. KAREN BODENSTEIN (37)***Independent non-executive director**(Mauritian)*

BCom (Accounting Sciences)

Date of appointment: 27 September 2016**Listed company directorships:** 1**Committees:** Audit (chairperson), nomination and risk (chairperson)

Karen completed her articles at BDO Spencer Steward in South Africa in 2004 and rose to the position of senior auditor, gaining invaluable experience in a wide variety of South African businesses. She has 12 years' experience in the construction and development industry, having been closely involved working as the management accountant in a number of property-related companies, including a leading Mauritian property development organisation and medium-sized South African construction company. For the last three years she has been managing her own business, providing consulting and accounting services to a range of global business companies in Mauritius. Karen has been living in Mauritius since 2007.

6. TEDDY LO SEEN CHONG (50)*Non-independent non-executive director**(Mauritian)*

CA (England and Wales), Mauritius

Stockbroker Examination Certificate

Date of appointment: 1 March 2016**Date of resignation:** 17 January 2019***Listed company directorships:** 2**Committees:** Remuneration, risk and social and ethics

Teddy is the finance director of Intercontinental Trust Ltd. He was previously manager of the fund administration department. Teddy worked for six years in a firm of chartered accountants in London, where his areas of responsibilities were auditing, accounting and taxation. He also worked for Deloitte in Mauritius where he was involved in the listing of a major local bank on the Mauritius Stock Exchange. He spent 11 years in Canada, where he gathered valuable experience in the field of accounting and finance in North America. Teddy is a member of the Institute of Chartered Accountants in England and Wales and of the Canadian Institute of Chartered Accountants.

* Terry Warren and Teddy Lo Seen Chong resigned as non-executive chairman and non-executive director, respectively, of Greenbay on 17 January 2019. Mark Olivier, who currently serves as non-executive director, was appointed as non-executive chairman on 17 January 2019. Paul Edwards and David Axten were appointed as non-executive directors on 17 January 2019. Refer to the Lighthouse announcement on 18 January 2019 on the company's website at www.lighthousecapital.mu/company-announcements/ for additional details.

WHO GOVERNS US continued

ATTENDANCE AT BOARD AND SUB-COMMITTEE MEETINGS

Director	Board	Audit committee	Investment committee	Nomination committee	Remuneration committee	Risk committee	Social and ethics committee
Non-executive directors							
Terry Warren (chairman of the board)	4/4						
Karen Bodenstein (chairperson of the audit and risk committees)	4/4	4/4		2/2		1/1	
Teddy Lo Seen Chong	4/4				4/4	1/1	1/1
Mark Olivier (chairman of the nomination and investment committees)	4/4	4/4	4/4	2/2	4/4		
Barry Stuhler (chairman of the remuneration and social and ethics committees)	4/4	4/4	4/4	2/2	4/4		1/1
Executive directors							
Stephen Delpont	4/4		4/4			1/1	
Kobus van Biljon	4/4						
Jan Wandrag	4/4						1/1

DIRECTORS' INTERESTS

A full list of directors' interests is maintained and directors certify that the list is correct at each board meeting. Directors recuse themselves from any discussion and decision on matters in which they have a material financial interest. The list of directorships includes:

Non-executive directors

Terry Warren (chairman of the board)	None
Karen Bodenstein (chairperson of the audit and risk committees)	Executive director of Rockcastle UK Property SPV Limited, Rockcastle Europe Limited, Rockcastle Global Real Estate Company Limited, Rockcastle Global Securities Limited, Emerge Development and Project Management Limited and MyBase Limited.
Teddy Lo Seen Chong	Non-executive director of Stonebridge Properties Limited.
Mark Olivier (chairman of the nomination and investment committees)	Chairman of Trellidor Holdings Limited (South Africa), executive director of Hibridge Investments Limited, Hibridge Corporate Services, Affordable Property Investments Limited and independent chairman of African Rainbow Capital Investments Limited.
Barry Stuhler (chairman of the remuneration and social and ethics committees)	Executive director of Chataprop Holdings 50 Proprietary Limited, Blue Dot Properties 456 Proprietary Limited, Platinum Mile Investments 110 Proprietary Limited and K2014070733 Proprietary Limited.

Executive directors

Stephen Delpont	None
Kobus van Biljon	Executive director of Greenbay Investments 1 Limited, Greenbay Investments 2 Limited, Greenbay Netherlands B.V., Greenbay Investment UK Limited, Greenbay Investments d.o.o., Greenbay Tivoli d.o.o., LocaViseu – Sociedade de Gestão de Imóveis, S.A., RPPSE Forum Coimbra – Sociedade Imobiliária, S.A and RPPSE Forum Viseu – Sociedade Imobiliária, S.A.
Jan Wandrag	Executive director of Greenbay Investments 1, Greenbay Investments 2 and Cajari Limited. Non-executive director of Heimdall Limited.

DEALING IN SECURITIES BY THE DIRECTORS

Dealing in the company's securities by directors and company officials is regulated and monitored, as required by the SEM Listing Rules and JSE Listings Requirements. With regard to directors' dealings in the shares of their own company, the directors confirm that they have followed the absolute prohibition principles and notification requirements of the model code for securities transactions by directors as detailed in Appendix 6 of the SEM Listing Rules. All directors' trading must take place exclusively outside the closed periods prescribed by the Stock Exchange Regulations and requires written authorisation from the board of directors. Greenbay maintains a closed period from the end of a financial period to the date of publication of the financial results.

BENEFICIAL SHAREHOLDING OF DIRECTORS

	Direct holding		Indirect holding		Associate holding		Total shares held		Percentage of issued shares	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Terry Warren (chairman of the board)	1 090 908	1 074 218	–	–	–	–	1 090 908	1 074 218	0,011	0,012
Stephen Delpont	–	–	50 713 643	38 192 721	20 946	20 626	50 734 589	38 213 347	0,535	0,41
Jan Wandrag	–	–	647 579	–	–	–	647 579	–	0,007	–
Mark Olivier	–	–	5 076 882	4 207 856	–	–	5 076 882	4 207 856	0,054	0,045
Barry Stuhler	–	–	82 909 060	81 640 650	–	–	82 909 060	81 640 650	0,874	0,876
Kobus van Biljon	5 018 229	4 311 247	1 023 335	–	–	–	6 041 564	4 311 247	0,064	0,046
	6 109 137	5 385 465	140 370 499	124 041 227	20 946	20 626	146 500 582	129 447 318	1,545	1,389

The shareholding of directors has not changed between the end of the financial year and the date on which the annual financial statements were approved.

AUDIT COMMITTEE'S REPORT

The audit committee is pleased to submit its report for the year ended 30 September 2018.

The primary role of the audit committee is to ensure the integrity of financial reporting and the audit process. In pursuing these objectives, the audit committee oversees relations with the external auditor. The committee also assists the board in discharging its duties relating to the safeguarding of assets, the operation of adequate systems and internal control processes, overseeing the preparation of accurate financial reports and statements in compliance with all applicable legal requirements and accounting standards, ensuring compliance with good governance practices and the nomination of the external auditor. The role of the audit committee has been codified in the audit committee charter, which has been approved by the board. This charter has been aligned with the recommendations of the Code and King IV. The board reviewed the charter during the 2018 financial year.

The audit committee presently comprises: Karen Bodenstein (chairperson), Barry Stuhler and Mark Olivier, all of whom are independent non-executive directors. The chief executive officer and chief financial officer attend meetings as invitees. The committee members have unlimited access to all information, documents and explanations required in the discharge of their duties, as does the external auditor.

The board, in consultation with the audit committee chairperson, makes appointments to the committee to fill vacancies.

The board has determined that the committee members have the skills and experience necessary to contribute meaningfully to the committee's deliberations. In addition, the chairperson has the requisite experience in accounting and financial management. The committee met four times during the financial period. The audit committee has satisfied itself that no breakdown in accounting controls, procedures and systems has occurred during the period under review.

In fulfilling its responsibility of monitoring the integrity of financial reports to shareholders, the audit committee has reviewed accounting principles, policies and practices adopted in the preparation of financial information and has examined documentation relating to the integrated report and interim financial report. The clarity of disclosures included in the annual financial statements was reviewed by the audit committee, as was the basis for significant estimates and judgements.

It is the function of the committee to review and make recommendations to the board regarding quarterly financial results and the integrated report prior to approval by the board.

The audit committee has complied with its legal, regulatory and other responsibilities.

Details on the composition of the committee and attendance at meetings are set out on page 32.

EXECUTION OF THE FUNCTIONS OF THE AUDIT COMMITTEE

The audit committee has carried out its functions in terms of the audit committee charter as approved by the board and any other legal or regulatory responsibilities.

EXTERNAL AUDITOR

The audit committee is satisfied that the external auditor is independent of the group. The audit committee considered information pertaining to the balance between fees received by the external auditor for audit and non-audit work for the group in 2018 and concluded that the nature and extent of non-audit fees do not present a threat to the external auditor's independence. There were no non-assurance fees incurred in 2018 or 2017. Furthermore, after obtaining confirmation and reviewing a report from the external auditor on all its relationships with the company that might reasonably have a bearing on the external auditor's independence and the audit engagement partner's objectivity, and the related safeguards and procedures, the audit committee has concluded that the external auditor's independence was not impaired.

The audit committee approved the external auditor's terms of engagement, scope of work and the annual fee and noted the applicable levels of materiality.

Based on written reports submitted, the audit committee reviewed, with the external auditor, the findings of its work and confirmed that all significant matters had been satisfactorily resolved. The audit committee is satisfied that the 2018 audit was completed without any restrictions on its scope.

The audit committee assessed the suitability of the audit firm and the designated individual partner for re-appointment in the ensuing year.

ANNUAL FINANCIAL STATEMENTS AND ACCOUNTING POLICIES

The audit committee has reviewed principles, policies and practices adopted in the preparation of the annual financial

statements for the 2018 financial year and, where necessary, has obtained appropriate explanations relating to such financial information included in the integrated report.

The audit committee is satisfied that they are adequate and appropriate and that the annual financial statements comply with International Financial Reporting Standards and the Companies Act.

The audit committee has applied its mind to the preparation and presentation of the integrated report and acknowledges its responsibility to ensure the integrity of the integrated report. The audit committee recommended the integrated report to the board for approval.

INTERNAL FINANCIAL CONTROLS AND THE FINANCE FUNCTION

The audit committee has satisfied itself that appropriate financial reporting controls are in place and that no breakdown

in accounting controls, procedures and systems has occurred during the year under review that could have a material impact on financial reporting.

The audit committee has considered and confirms that the chief financial officer, Kobus van Biljon, has the appropriate expertise and experience and that the finance function has adequate resources and expertise.



Karen Bodenstein
Chairperson of the audit committee

17 January 2019

INVESTMENT COMMITTEE'S REPORT

The investment committee is pleased to submit its report for the year ended 30 September 2018.

All acquisitions, disposals and capital expenditure are considered by the investment committee. The investment committee approves acquisitions, disposals and capital expenditure up to pre-set limits.

The investment committee consists of Mark Olivier (chairman) and Barry Stuhler, who are independent non-executive directors, as well as Stephen Delport, who is an executive director. All members of this committee have extensive experience and technical expertise in the property industry.

The investment committee's responsibilities and duties are governed by a charter that was reviewed during the 2018 financial year.

No external advisors attended any of the investment committee meetings.

Details of the composition of the committee and attendance at meetings are set out on page 32.

ACTIVITIES DURING THE YEAR

The committee met for the following purposes:

- » To consider recommendations from management for acquisitions, capital expenditure and disposals;

- » To authorise transactions that fall within its mandate;
- » To make recommendations to the board regarding transactions that fall outside its approval mandate;
- » To evaluate investment performance; and
- » To periodically review and assess the performance of the committee and its members, including reviewing the compliance of the committee with its charter. In addition, the committee reviewed and reassessed the adequacy of its charter and recommended to the board any improvements they considered necessary or valuable.

The committee is satisfied that it has fulfilled its responsibilities.



Mark Olivier
Chairman of the investment committee

17 January 2019

NOMINATION COMMITTEE'S REPORT

The nomination committee is pleased to submit its report for the year ended 30 September 2018.

The nomination committee is mandated by the board to identify suitable candidates to be appointed to the board, in order to fill vacancies, ensure that there is a succession plan in place for key management, assess the independence of non-executive directors and assess the composition of the board sub-committees. The nomination committee recommends individuals to the board for appointment.

The nomination committee comprises three independent non-executive directors, being Mark Olivier (chairman), Karen Bodenstein and Barry Stuhler.

The nomination committee's responsibilities and duties are governed by a charter that was reviewed by the board during the 2018 financial year.

No external advisors attended any of the nomination committee meetings.

Details on the composition of the committee and attendance at meetings are set out on page 32.

ACTIVITIES DURING THE YEAR

The committee met for the following purposes:

- » Regularly reviewing and making recommendations to the board regarding its structure, size, effectiveness and composition (including the mix of skills, knowledge and experience);
 - » Developing strategies to address board diversity;
 - » Developing and reviewing board succession plans;
 - » Giving full consideration to the succession plans of the board (including the role of chairman), with the aim of maintaining an ongoing appropriate mix of skills, experience, expertise and diversity;
 - » Identifying existing directors who are due for re-election by rotation at the annual general meeting; and
 - » Making the committee's charter publicly available and explaining its role and the authority delegated to it by the board.
- The committee is satisfied that it has fulfilled its responsibilities.



Mark Olivier

Chairman of the nomination committee

17 January 2019

REMUNERATION COMMITTEE'S REPORT

The remuneration committee is pleased to submit its report for the year ended 30 September 2018.

The remuneration committee is mandated by the board to authorise the remuneration and incentivisation of all employees, including executive directors.

In addition, the remuneration committee recommends directors' fees payable to non-executive directors and members of board sub-committees.

Further details are provided in the remuneration report on pages 37 to 44.

The remuneration committee comprises two independent non-executive directors, being Barry Stuhler (chairman) and Mark Olivier, and one non-independent non-executive director, Teddy Lo Seen Chong.

The remuneration committee's responsibilities and duties are governed by a charter that was reviewed by the board in the 2018 financial year.

No external advisors attended any of the remuneration committee meetings. No external advisors were employed to assist with the preparation of the remuneration policy.

Details on the composition of the committee and attendance at meetings are set out on page 32.

ACTIVITIES DURING THE YEAR

The committee met for the following purposes:

- » Overseeing the development and annual review of the remuneration policy and presenting it to the board for approval;
- » Monitoring implementation and administration of the remuneration policy;
- » Determining remuneration for executive directors in accordance with the remuneration policy;
- » Ensuring that the group's remuneration policies are aligned with its strategy and create long-term value for the group over the long term; and
- » Recommending the fees paid to non-executive directors and members of board sub-committees to be approved by the shareholders.

The committee is satisfied that it has fulfilled its responsibilities.



Barry Stuhler
Chairman of the remuneration committee

17 January 2019

REMUNERATION REPORT

Background statement

Greenbay's remuneration committee oversees the development and annual review of the remuneration policy, which is ultimately approved by the board. In doing so, it ensures that the policy aligns the executive and management remuneration with the value delivered to the group's stakeholders and further recognises exceptional individual contributions. The committee has been mandated by the board to authorise the remuneration and incentivisation of all employees, including executive directors.

The group aims to retain its competitive advantage in the industry by attracting talented individuals and retaining experienced staff who demonstrate the behavioural traits which fit the group's entrepreneurial and dynamic culture.

The remuneration policy is based on the following guiding principles:

- » Remuneration must support key business strategies;
- » Remuneration must create a strong, performance-orientated environment that is consistent with the group's long-term objective of value creation for stakeholders;
- » Remuneration must be structured to attract, motivate and retain talented employees;
- » The remuneration policy should promote risk management and not encourage excessive risk-taking by key decision-makers;
- » Remuneration should be structured in a manner that allows for the recognition and encouragement of exceptional performance, both at an individual and group level;

REMUNERATION COMMITTEE'S REPORT continued

- » The remuneration policy should be transparent and easy to understand; and
- » Remuneration should be equitable, both from an internal perspective, taking into account employees, their roles and qualifications, and from an external perspective, ensuring that remuneration is in line with the market.

REMUNERATION POLICY

The remuneration policy is aligned with the strategic objective of the company, which is to create long-term, sustainable value for stakeholders. Remuneration is a combination of salary, short-term performance-based incentivisation and long-term incentivisation in order to attract and retain motivated, high-calibre executives and employees whose interests are aligned with the interests of stakeholders. The remuneration policy aims to balance organisational and individual performance with the appropriate balance of guaranteed and variable pay. The policy is applicable to the company's executive directors as well as all employees.

Greenbay is committed to utilising a job evaluation system. The purpose of job evaluation is to determine the relative worth of one job against another. Each position in the organisation will be documented and evaluated in line with job evaluation principles. The job evaluation is communicated to the incumbent and is utilised in determining pay structures that are fair and objective. Job evaluation is also utilised in other human resource practices such as career planning and recruitment.

Executive and management remuneration principles

The group draws from a wide variety of sources in determining the remuneration of staff, including independent surveys, peer group comparisons, publicly available data and marketplace intelligence from local as well as international sources.

Remuneration packages are structured depending on the required skills and experience at each level, as well as the employee's level of influence on strategy and the complexity of each role.

Remuneration comprises both fixed and variable pay. Fixed pay comprises an annual salary. The group does not offer any medical aid or retirement benefits and these are for the account of the employee.

Variable pay comprises short-term performance incentives through cash bonuses and long-term incentives through the share incentive scheme. Short-term performance incentives are used to motivate and reward annual performance in line with the group's strategic goals. This remuneration is payable in cash and based on the individual's performance which is, inter alia, linked to the group's performance.

Long-term incentives create value and align the interests of employees with shareholders. Details of the scheme, including individual limits and the regularity of issues, are discussed in the table on page 39.

The remuneration policy and remuneration implementation report will be tabled for a non-binding advisory vote at the annual general meeting. Should either or both of these resolutions be voted against by 25% or more of the voting rights exercised, the board of directors undertakes to engage with dissenting shareholders to ascertain the reasons therefor and address legitimate and reasonable objections and concerns.

The 2018 remuneration policy and the 2018 remuneration implementation report was voted in favour of by 96% of shareholders at the annual general meeting held on 31 January 2018 for the year ended 30 September 2017.

The methods for determining the various remuneration components are as follows:

Total guaranteed package ("TGP")	Executive directors	Fixed	Compensation, at market-related levels, for directors performing their specific roles	TGPs are benchmarked at the median of the peer group. The committee considers the following when reviewing TGPs: » Inflation over the period; » Market for the specific employee's skills; » Individual performance; and » Group performance, including growth in distributions per share. TGPs are reviewed annually in November and increases are effective 1 January.
	Management	Fixed	Compensation, at market-related levels, for employees performing their specific roles	TGPs are benchmarked at the median of the peer group. The committee considers the following when reviewing TGPs: » Inflation over the period; » Market for the specific employee's skills; » Individual performance; » Changes in responsibilities; and » Gains in experience. TGPs are reviewed annually in November and increases are effective 1 January.
Short-term incentive plan ("STIP")	Executive directors and management	Variable	Achievement of short-term organisational goals	The committee awards cash and/or share bonuses to management based on key performance indicators including, but not limited to: » Financial performance, such as growth in distributions or net asset value; » Operational performance, such as limiting vacancies or maintaining low tenant arrears; » Debt risk management, such as hedging a minimum level of interest rate exposure; and » Other quantitative and qualitative factors determined by the board.

REMUNERATION COMMITTEE'S REPORT continued

Long-term incentive plan ("LTIP")

Alignment of long-term organisational goals and pursuing sustainable long-term total stakeholder returns.

Executive directors and management	Variable	
Salient features	Based on predetermined criteria employees are awarded shares Employees take full market risk on the shares from date of issue. This aligns the interests of employees and stakeholders more closely Backdating of share-based incentives is not permitted Share incentive scheme allocations are made once per annum outside closed periods	
Factors used in determination of quantum	Relative performance and compound annual growth in distributions ("CAGR") over a benchmark	
Relative performance	Peer group	Comparable European property companies
	Peer group calculation	50% of annual package if total shareholder return ("TSR") is in the first quartile and 25% of annual package if TSR is in the second quartile relative to the peer group
Growth in distributions	Benchmark	Inflation plus 3%
	Inflation	Three-year CAGR in inflation
	Distributions	Three-year CAGR in distributions
	Performance calculation	20% of annual package for every 1% distribution outperformance over the benchmark
Maximum LTIP entitlement	300% of annual package	
Participant options	Option 1	Receive entitlement in shares
	Option 2	Gear-up the entitlement up to a maximum of four times the entitlement
OPTION 1		
Discount	Up to 5%	
Vesting period	Over five years	
Market risk	100% assumed by the participant	
OPTION 2		
Discount	Up to 5%	
Vesting period	Over five years	
Market risk	100% assumed by the participant	
Subsidy in the event of an interest shortfall	None	
Loan repayment	Earlier of seven years or termination of employment	
Interest rate	Weighted-average cost of funding for the group	
Maximum loan to a participant in total	20 times annual remuneration	

Greenbay endeavours to maintain transparent and constructive dialogue with its shareholders and their representative bodies. Greenbay engaged with its major shareholders during the drafting of the remuneration policy and will continue to do so in the future, should any material changes be considered.

Service contracts

All employees and/or consultants, including executive directors, are required to sign service contracts with the group. These contracts set out the working hours, remuneration, leave entitlement, notice and probation periods and other relevant information. There is no restraint of trade clause in any of the service contracts. Executive directors do not receive directors' or sub-committee fees.

Pay date

Remuneration is paid on the 25th day of each month and if this day falls on a weekend, remuneration is paid on the Friday preceding the 25th.

Tax allowances

Management and employees can request assistance in structuring their remuneration packages.

IMPLEMENTATION REPORT

Executive directors' remuneration

	Salary 2018 EUR	Bonus 2018 EUR	Share incentive 2018 EUR	Salary 2017 EUR	Bonus 2017 EUR	Share incentive 2017 EUR
GROUP						
Executive director						
Stephen Delpont	203 281	–	299 230	112 952	94 688	–
Paul May ¹	–	–	–	70 825	–	–
Kobus van Biljon ²	163 750	–	31 918	8 429	34 375	–
Jan Wandrag	104 608	–	20 198	103 635	25 392	–
	471 639	–	351 346	295 841	154 455	–
COMPANY						
Executive director						
Stephen Delpont	203 281	–	299 230	112 952	94 688	–
Paul May ¹	–	–	–	70 825	–	–
Kobus van Biljon ²	–	–	–	–	–	–
Jan Wandrag	104 608	–	20 198	103 635	25 392	–
	307 889	–	319 428	287 412	120 080	–

¹ Paul May resigned from the board on 16 August 2017. His remuneration was included only up to the date of his resignation from the board.

² Kobus van Biljon was appointed to the board on 16 August 2017. His remuneration was included from the date he was appointed to the board.

The bonuses reflected in the table above relate to the performances during the 2017 financial year, were provided for in the 2017 financial year and were paid in the 2018 financial year. Amounts related to the share incentive plan reflect expenses incurred during the period.

REMUNERATION COMMITTEE'S REPORT continued

Executive directors' results in terms of key performance indicators ("KPI") for the 2018 financial year are set out in the table below:

	Result	Stephen Delpont		Kobus van Biljon		Jan Wandrag	
		Weight %	Achieved %	Weight %	Achieved %	Weight %	Achieved %
Financial performance		70,0	70,0	65,0	65,0	60,0	60,0
Growing distributions in excess of 15% per annum	17,4	50,0	100,0	45,0	100,0	40,0	100,0
Ensuring that at least 80% of the group's direct property exposure to interest rate movement is hedged	Achieved	5,0	100,0	5,0	100,0	5,0	100,0
Ensuring an average interest rate hedge term exceeding four years.	6,6	5,0	100,0	5,0	100,0	5,0	100,0
Ensuring non-EUR denominated distributable income receivable is at least 80% hedged	100,0	5,0	100,0	5,0	100,0	5,0	100,0
Loan-to-value ratio <= 45%	8,3	5,0	100,0	5,0	100,0	5,0	100,0
Operational performance		20,0	17,50	15,0	13,1	15,0	13,1
Limiting vacancies to less than 5% of total GLA*	Achieved	10,0	75,0	7,5	75,0	7,5	75,0
Property as % of investment portfolio > 50%	55,4	10,0	100,0	7,5	100,0	7,5	100,0
Qualitative factors		10,0	8,75	15,0	17,5	25,0	22,5
Publication of financial results within seven weeks of the end of financial periods	Interim: YES Final: NO	5,0	75,0	10,0	75,0	10,0	75,0
Compliance	Achieved	5,0	100,0	10,0	100,0	15,0	100,0
Total KPI			96,3		95,6		95,6

* Adjusted for planned vacancies for refurbishment.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors' remuneration consists of an annual fee. The remuneration committee recommends non-executive directors' fees to the board, which in turn proposes the fees for shareholder approval at the annual general meeting. Attendance of directors at the various board and sub-committee meetings is disclosed on page 32.

Non-executive directors do not participate in the STIP or the LTIP nor is there any other remuneration paid to non-executive directors, including remuneration linked to the performance of the group.

		For services as a director (paid by the company) 2018 EUR	For services as a director (paid by the company) 2017 EUR
Terry Warren ¹	Chairman	24 000	5 729
Karen Bodenstein ²	Audit committee chairperson	22 000	5 792
	Risk committee chairperson	–	–
	Nomination committee member	–	–
Teddy Lo Seen Chong ³	Remuneration committee member	–	–
	Risk committee member	–	–
	Social and ethics committee member	–	–
Mark Olivier ⁴	Investment committee chairman	25 000	5 729
	Nomination committee chairman	–	–
	Audit committee member	–	–
	Remuneration committee chairman	–	–
Barry Stuhler ⁵	Remuneration committee chairman	25 000	699
	Social and ethics committee chairman	–	–
	Audit committee member	–	–
	Investment committee member	–	–
	Nomination committee member	–	–
		96 000	22 979

¹ Terry Warren was appointed to the board as chairman on 11 August 2016.

² Karen Bodenstein was appointed to the board, as chairperson of the audit and risk committees and as a member of the nomination committee on 27 September 2016.

³ Teddy Lo Seen Chong was appointed to the board on 1 March 2016. He was appointed as a member of the audit and risk committees on 11 May 2016 and as a member of the remuneration and social and ethics committees on 11 August 2016. Teddy resigned as a member of the audit committee with effect from 27 September 2016. Teddy's remuneration is incorporated into the fees paid by the company to Intercontinental Trust Ltd, the company's company secretary.

⁴ Mark Olivier was appointed to the board as chairman of the audit committee and as a member of the nomination committee on 28 June 2016. On 27 September 2016, Mark resigned as chairman of the audit committee, was appointed chairman of the nomination and investment committees, and as a member of the remuneration committee.

⁵ Barry Stuhler was appointed to the board on 16 August 2017. He was appointed as chairman of the remuneration and social and ethics committees and as a member of the audit, nomination and investment committees.

REMUNERATION COMMITTEE'S REPORT continued

Non-executive directors' fees are as follows:

Participation	Member/ Chairperson	Annual remu- neration EUR	Terry Warren EUR	Karen Boden- stein EUR	Terry Lo Seen Chong EUR	Mark Olivier EUR	Barry Stuhler EUR	Total EUR
Board of directors	Member	12 000		12 000	—*	12 000	12 000	36 000
Board of directors	Chairman	24 000	24 000					24 000
Audit committee	Member	3 000				3 000	3 000	6 000
Audit committee	Chairperson	5 000		5 000				5 000
Risk committee	Member	2 000			—*			—
Risk committee	Chairperson	3 000		3 000				3 000
Investment committee	Member	3 000					3 000	3 000
Investment committee	Chairman	5 000				5 000		5 000
Remuneration committee	Member	2 000			—*	2 000		2 000
Remuneration committee	Chairman	3 000					3 000	3 000
Nomination committee	Member	2 000		2 000			2 000	4 000
Nomination committee	Chairman	3 000				3 000		3 000
Social and ethics committee	Member	1 000			—*			—
Social and ethics committee	Chairman	2 000					2 000	2 000
			24 000	22 000	—*	25 000	25 000	96 000

* The all-inclusive fee, which is payable to Intercontinental Trust Ltd for their services in Mauritius, includes this fee.

Payments to past directors

There were no payments to past directors in 2018.

Payments for loss of office

There were no payments for loss of office to any employees or past directors in 2018.

RISK COMMITTEE'S REPORT

The risk committee is pleased to submit its report for the year ended 30 September 2018.

The risk committee is mandated by the board to ensure that a sound risk management system is maintained to assist the board in discharging its duties relating to the safeguarding of assets and to ensure that the company has implemented an effective plan for risk management that will enhance the company's ability to achieve its strategic objectives.

The risk management plan is in line with industry practice, reviewed annually and the risk matrix is presented and discussed at each meeting. The risk committee is satisfied that the company has complied, in all material respects, with its risk management policy.

The risk committee consists of Karen Bodenstein (chairperson and independent non-executive director), Teddy Lo Seen Chong, a non-independent non-executive director and an executive director, Stephen Delpont. The board has determined that the committee members have the necessary skills and experience to contribute to the effective implementation of the risk committee charter.

The risk committee's responsibilities and duties are governed by a charter that was reviewed by the board during the 2018 financial year.

No external advisors attended any of the risk committee meetings.

Details on the composition of the committee and attendance at meetings are set out on page 32.

INTERNAL CONTROLS

Within the sphere of risk management, special attention is paid to the company's internal controls by the board. In discharging its responsibility for the effectiveness of internal controls during the year, the board's approach was based on the internal control framework summarised below:

- » Clear statements of the powers and responsibility of the board;
- » The establishment of scrutinising sub-committees, reporting to the board, covering key risk and operational exposures;
- » Prescribed investment mandate limits;
- » Ability of independent directors to provide support to executive directors;

- » Effective systems for authorising investment and other capital expenditure;
- » Regular review meetings with management, managing agents and other advisors, including adequacy of reporting arrangements;
- » Regular reporting to the board of operational forecasts and results with explanations of variances;
- » Regular review of the company's capital funding requirements and debt/interest exposure; and
- » Regular reporting to the board on health, safety and environmental matters.

All significant areas were covered by the internal controls.

The board does not believe that there are any risks or deficiencies in the company's system of internal controls.

ACTIVITIES DURING THE YEAR

The committee met to:

- » Oversee the development and annual review of a policy and plan for risk management to recommend for approval to the board;
- » Monitor implementation of the policy and plan for risk management implemented via risk management systems and processes;
- » Make recommendations to the board concerning the levels of tolerance and appetite;
- » Monitor that risks were managed within the levels of tolerance and appetite as approved by the board;
- » Oversee that the risk management plan was widely disseminated throughout the company and integrated in the day-to-day activities of the company;
- » Ensure that risk management assessment and risks monitoring are performed on a continuous basis;
- » Acknowledge the mitigating action plans committed by the business functions and review implementation status for major company risk mitigation;
- » Ensure that frameworks and methodologies are implemented to anticipate unpredictable risks;
- » Ensure that management considers and implements appropriate risk responses;

RISK COMMITTEE'S REPORT

continued

- » Liaise closely with the audit committee to exchange information relevant to risk;
- » Express the committee's formal opinion to the board on the effectiveness of the system and process of risk management; and
- » Review reporting concerning risk management that is to be included in the integrated report to ensure that it is timely, relevant and comprehensive.

The committee is satisfied that it has fulfilled its responsibilities.



Karen Bodenstein
Chairperson of the risk committee

17 January 2019



SOCIAL AND ETHICS COMMITTEE'S REPORT

The social and ethics committee is pleased to submit its report for the year ended 30 September 2018.

The social and ethics committee's focus is to monitor compliance with labour legislation as well as corporate social responsibilities and corporate citizenship. The social and ethics committee also serves to ensure that the reporting requirements on corporate governance are in accordance with the principles of the Code.

The social and ethics committee comprises Barry Stuhler (chairman and independent non-executive director), Teddy Lo Seen Chong, a non-independent non-executive director, and Jan Wandrag, an executive director.

The social and ethics committee's responsibilities and duties are governed by a charter that was reviewed by the board during the 2018 financial year.

No external advisors attended any of the social and ethics committee meetings.

Details on the composition of the committee and attendance at meetings are set out on page 32.

SUSTAINABILITY REPORTING

At Greenbay, our approach to the concept of sustainability relates to the maintenance and enhancement of environmental, social and economic resources in order to meet the needs of current and future generations. This is founded on a commitment to being a good corporate citizen and operating in a commercially sensible and socially responsible manner.

ENVIRONMENTAL

Greenbay has adopted an environmental policy which sets out its intentions and commitment to sustainability through the reduction of electricity consumption and water usage. This policy is monitored by executive management. Energy efficiency is foremost in our sustainability endeavours.

In respect of all works there is a focus on the fundamental architectural principles, one of which is building aspect,



which helps to passively address the insulation and natural lighting options available in buildings. Since air-conditioning and heating constitute the largest percentage of energy consumption (approximately 60%) new and retrofit systems will incorporate improved standards of insulation, shading, glazing, ventilation and an efficient air-conditioning plant.

Where possible, we are utilising newer, more efficient lighting systems incorporating rational design principles to maximise the lighting levels. We have and will continue to retrofit our buildings on a replacement basis with more efficient technologies.

Greenbay undertakes construction both in the form of new developments and redevelopments of existing properties. Our aim is to minimise the impact on the environment.

SOCIAL

Our employees

Our employees are as intrinsic to our business as our assets. We strive to create a productive working environment. We aim to attract and retain high-calibre, motivated employees. The remuneration of our employees is elaborated on in the remuneration report on pages 37 to 44.

As discussed in note 8 to the annual financial statements, Greenbay has management incentive loans which are granted to employees to enable them to purchase shares in Greenbay. We believe that empowering our employees in this way aligns their interests even more closely to those of shareholders.

Our communities

The impact of developments on surrounding communities is carefully considered and we engage directly with these communities where possible. Residential developments are designed to incorporate green areas and parks in an urban environment.

ACTIVITIES DURING THE YEAR

The committee met to monitor the company's activities with regard to any relevant legislation, other legal requirements or prevailing codes of best practice.

The committee met to draw certain matters to the attention of the board. These matters include:

- » Oversight of the compliance function;
- » Social and economic development;
- » Good corporate citizenship;
- » The environment, health and public safety;
- » Consumer relationships;
- » Labour and employment; and
- » Comprehensive, timely and relevant sustainability reporting.

The committee is satisfied that it has fulfilled its responsibilities.

Barry Stuhler
Chairman of the social and ethics committee

17 January 2019





ANNUAL FINANCIAL STATEMENTS

DIRECTORS' RESPONSIBILITY FOR THE ANNUAL FINANCIAL STATEMENTS

For the year ended 30 September 2018

THE DIRECTORS ACKNOWLEDGE THEIR RESPONSIBILITIES FOR:

- » Adequate accounting records and maintenance of effective internal control systems;
- » The preparation of annual financial statements which fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for that year and which comply with International Financial Reporting Standards ("IFRS"); and
- » The selection of appropriate accounting policies supported by reasonable and prudent judgements. The external auditor is responsible for reporting on whether the annual financial statements are fairly presented.

THE DIRECTORS REPORT THAT:

- » Adequate accounting records and an effective system of internal controls and risk management have been maintained;
- » Appropriate accounting policies supported by reasonable and prudent judgements and estimates have been used consistently; and
- » IFRS has been adhered to. Any departure in the interest in fair presentation has been disclosed, explained and quantified.

GOING CONCERN

In addition, the directors have made an assessment of the group's and company's ability to continue as a going concern and there is no reason to believe that the business will not be a going concern in the year ahead.

STATEMENT OF COMPLIANCE

We, the directors of Greenbay, confirm to the best of our knowledge that the company has complied with all of its obligations and requirements under the Code of Corporate Governance, except for the following matter:

- » Job descriptions of key senior governance positions have not been disclosed, as the directors deemed the job descriptions to be self-explanatory as per the job titles of the relevant positions concerned.

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS OF THE COMPANY

The annual financial statements of the group and company were approved for issue by the board of directors on 7 December 2018 and signed on its behalf by:



Stephen Delpont
Chief executive officer



Kobus van Biljon
Chief financial officer

COMPANY SECRETARY'S CERTIFICATE

For the year ended 30 September 2018

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 Mauritian Companies Act 2001.



Intercontinental Trust Ltd
Company secretary

7 December 2018

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Greenbay Properties Ltd

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated financial statements of Greenbay Properties Ltd ("the group"), and the company's separate financial statements on pages 54 to 133 which comprise the statements of financial position as at 30 September 2018, and the statements of 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 54 to 133 give a true and fair view of the financial position of the group and of the company as at 30 September 2018 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.

The group

Valuation of investment properties

Key audit matter

Investment property held by the group, carried at fair value, amounted to EUR293 million at 30 September 2018.

The valuation exercise involves significant accounting estimate and a range of judgemental assumptions and has thus been considered as a key audit matter.

Audit response

The key inputs to the valuation of the group's investment properties have been tested through the following:

- » Assessed the independence, reputation and credentials of the valuation experts and that the valuation experts applied the appropriate valuation methodology.
- » Determined the accuracy of data provided to the valuers.
- » Tested the reasonability of the valuation model used and tested whether cashflows and yields are in line with expectations. Verified the correct accounting for the fair value gain/loss that arose during the financial period.
- » For the property in Slovenia, an independent auditor's expert (a certified property appraiser, MRICS) has been engaged who reviewed the valuation report and confirmed the valuation. The input data related to existing rental contracts were verified with the rental contracts.

The group and the company

Investments

Key audit matter

As at 30 September 2018, the group and the company had investments amounting to EUR323 million and EUR115 million. The significance of investments on the statement of financial position resulted in them being identified as a key audit matter. Investments are measured initially at cost. Subsequent to initial recognition, investments are carried at fair value based on market value at closing date.

Audit response

Our audit procedure consisted of testing, on a sample basis, additions and disposals during the year.

We have agreed all investment balances to confirmations from brokers. We also verified, on a sample basis, the share price used in the valuation of investments at 30 September 2018.

The company

Investments in and loans receivables to subsidiaries

Key audit matter

At 30 September 2018, investments in and loans to subsidiaries amounted to EUR613 million. Investments in subsidiaries are carried at cost, less impairment. Loans receivable from related parties are carried at amortised cost/fair value. The amounts are significant to the company's financial statements and thus considered as a key audit matter.

INDEPENDENT AUDITOR'S REPORT continued

Audit response

Assessed the impairment of the investments and loans with regards to underlying valued assets of the subsidiaries.

Assessed and discussed with management on the recoverability of the balances based on management's knowledge of future conditions that may impact expected receipts.

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Integrated Report (but does not include the corporate governance report, the financial statements and our auditors' report thereon).

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, 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 statements, which will be made available to us after the date of our 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 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 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 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 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 to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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.

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.

OTHER MATTER

This report is made solely to the members of Greenbay 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.



BDO & CO
Chartered Accountants

Port Louis, Mauritius.



Rookaya Ghanty, FCCA
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STATEMENTS OF FINANCIAL POSITION

As at 30 September 2018

Notes	GROUP			COMPANY		
	2018 EUR	Restated 2017 EUR	Restated 2016 EUR	2018 EUR	Restated 2017 EUR	Restated 2016 EUR
ASSETS						
Non-current assets	689 218 977	383 441 705	158 854 734	763 405 024	627 932 932	160 975 429
Investment property	3 292 693 712	71 442 548	70 071 632	–	–	–
Investments	4 312 464 289	159 448 464	3 095 644	115 466 120	74 530 500	3 095 644
Investment in and loans to subsidiaries	5 –	–	–	596 686 706	477 319 165	72 192 327
Investment in and loans to joint venture	6 –	59 361 010	–	–	–	–
Financial and other assets	7 59 840 844	93 189 683	85 687 458	51 252 198	76 083 267	85 687 458
Goodwill	18.3 24 220 132	–	–	–	–	–
Current assets	379 671 672	552 187 129	226 920 063	149 041 872	282 620 372	223 507 647
Investments	4 10 299 132	–	–	–	–	–
Loans to subsidiaries	5 –	–	–	16 035 037	–	–
Financial and other assets	7 732 786	390 468	–	129 450	144 304	–
Trade and other receivables	9 13 029 436	3 517 076	7 534 350	1 908 123	6 696 928	4 535 706
Cash and cash equivalents	355 610 318	548 279 585	219 385 713	130 969 262	275 779 140	218 971 941
Total assets	1 068 890 649	935 628 834	385 774 797	912 446 896	910 553 304	384 483 076
EQUITY AND LIABILITIES						
Total equity attributable to equity holders	592 449 886	893 778 890	383 936 503	605 831 495	903 500 964	383 932 308
Stated capital	10 600 703 936	975 367 686	414 975 962	600 703 936	975 367 686	414 975 962
Treasury shares	(17 378 683)	–	–	–	–	–
Non-distributable reserve	(44 817 643)	(130 177 845)	(51 681 302)	(31 787 803)	(122 316 449)	(51 667 150)
Foreign currency translation reserve	(1 393 006)	242 185	(115 480)	–	–	(115 480)
Retained earnings	55 335 282	48 346 864	20 757 323	36 915 362	50 449 727	20 738 976
Total liabilities	476 440 763	41 849 944	1 838 294	306 615 401	7 052 340	550 768
Non-current liabilities	157 043 253	25 144 714	–	–	–	–
Interest-bearing borrowings	11 124 878 211	24 714 857	–	–	–	–
Deferred tax	12 31 630 017	429 857	–	–	–	–
Financial liabilities	13 535 025	–	–	–	–	–
Current liabilities	319 397 510	16 705 230	1 838 294	306 615 401	7 052 340	550 768
Interest-bearing borrowings	11 1 443 902	1 374 996	–	–	–	–
Financial liabilities	13 591 000	–	–	–	–	–
Trade and other payables	14 316 389 373	14 670 411	1 706 317	306 262 307	6 392 517	422 307
Income tax payable	973 235	659 823	131 977	353 094	659 823	128 461
Total equity and liabilities	1 068 890 649	935 628 834	385 774 797	912 446 896	910 553 304	384 483 076

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 September 2018

	Notes	GROUP		COMPANY	
		2018 EUR	Restated 2017 EUR	2018 EUR	Restated 2017 EUR
Investment revenue	15	21 321 102	3 668 438	6 503 300	1 137 002
Property rental and related revenue		8 819 126	5 965 309	–	–
Finance income		549 841	4 297 231	570 287	4 124 589
Dividends and interest income from group companies		–	–	15 426 334	12 417 008
Total revenue		30 690 069	13 930 978	22 499 921	17 678 599
Fair value gain/(loss) on investment property, investments and derivatives		2 146 788	(16 125 028)	(1 848 000)	(12 157 223)
Fair value gain on investments		4 181 432	5 624 779	511 427	10 603 603
Fair value gain on investment property		1 354 008	764 855	–	–
Fair value loss on currency, interest rate and other derivatives		(1 139 070)	(22 514 662)	(109 845)	(22 760 826)
Impairment of Share Incentive loans	8	(2 249 582)	–	(2 249 582)	–
Property operating expenses		(3 630 837)	(2 035 142)	–	–
Administrative and other expenses		(6 024 800)	(2 678 914)	(3 027 153)	(2 249 454)
Foreign exchange gain/(loss)		14 898 645	(22 593 417)	10 055 347	(22 816 416)
Share of profit from joint venture	6	7 028 539	1 579 188	–	–
Operating profit/(loss)		45 108 404	(27 922 335)	27 680 115	(19 544 494)
Finance costs		(2 539 525)	(1 151 492)	(441 141)	(204 642)
Other income		167 301	–	–	–
Profit/(loss) before tax	16	42 736 180	(29 073 827)	27 238 974	(19 749 136)
Income tax expense	17	(1 119 092)	(1 414 429)	(871 169)	(770 666)
Profit/(loss) for the year attributable to equity holders of the company		41 617 088	(30 488 256)	26 367 805	(20 519 802)
Other comprehensive income net of tax					
Items that may subsequently be reclassified to profit or loss					
Exchange differences on translation of foreign operations		(1 635 191)	357 665	–	115 480
		(1 635 191)	357 665	–	115 480
Total comprehensive income/(loss) for the year attributable to equity holders of the company		39 981 897	(30 130 591)	26 367 805	(20 404 322)
Basic and diluted earnings/(loss) per share (EUR cents)	20, 21	0,44	(0,50)	0,28	(0,34)

STATEMENTS OF CHANGES IN EQUITY

For the year ended 30 September 2018

GROUP						
Notes	Stated capital ¹ EUR	Treasury shares ¹ EUR	Non-distributable reserve ² EUR	Foreign currency translation reserve ³ EUR	Retained earnings EUR	Total equity EUR
Restated balance at 30 September 2016	414 975 962	–	(51 681 302)	(115 480)	20 757 323	383 936 503
Previously reported balance at 30 September 2016	364 806 890	–	19 034 695	(20 758 845)	20 853 763	383 936 503
Financial liability derivatives from bookbuilds	28.5 70 927 917	–	(70 927 917)	–	–	–
Foreign currency translation reserve adjustment on change in functional currency	28.1 (20 758 845)	–	–	20 758 845	–	–
Change in functional currency	28.1 –	–	211 920	(115 480)	(96 440)	–
Issue of shares:	540 660 917	–	–	–	–	540 660 917
– 1 324 503 311 shares on 27 March 2017	154 710 438	–	–	–	–	154 710 438
– 620 000 000 shares on 12 June 2017	85 620 067	–	–	–	–	85 620 067
– 2 284 263 959 shares on 22 August 2017	300 330 412	–	–	–	–	300 330 412
Total comprehensive income:						
– Loss for the year	–	–	–	–	(30 488 256)	(30 488 256)
– Exchange differences on translation of foreign operations	–	–	–	357 665	–	357 665
Distribution paid – final 2016	5 588 558	–	–	–	(5 873 040)	(284 482)
– scrip issue – 56 962 424 shares	5 588 558	–	–	–	(5 588 558)	–
– cash	–	–	–	–	(284 482)	(284 482)
Distribution paid – interim 2017	14 142 249	–	–	–	(14 545 706)	(403 457)
– scrip issue – 115 613 498 shares on 14 June 2017	14 142 249	–	–	–	(14 142 249)	–
– cash	–	–	–	–	(403 457)	(403 457)
Transfer to non-distributable reserve	–	–	(78 496 543)	–	78 496 543	–
Restated balance at 30 September 2017	975 367 686	–	(130 177 845)	242 185	48 346 864	893 778 890
Previously reported balance at 30 September 2017	892 382 767	–	(36 075 289)	(11 028 779)	48 500 191	893 778 890
Financial liability derivatives from bookbuilds	28.5 94 013 684	–	(94 013 684)	–	–	–
Foreign currency translation reserve adjustment on change in functional currency	28.1 (11 028 765)	–	–	11 028 765	–	–
Change in functional currency	28.1 –	–	(88 872)	242 199	(153 327)	–
Issue of shares – 36 414 535 shares on 14 December 2017	5 675 326	–	–	–	–	5 675 326
Share repurchase – 332 303 187 shares	–	(26 778 785)	–	–	–	(26 778 785)
Distribution paid – final 2017	19 660 924	–	–	–	(22 000 337)	(2 339 413)
– scrip issue – 129 515 466 shares on 20 December 2017	19 660 924	–	–	–	(19 660 924)	–
– cash	–	–	–	–	(2 339 413)	(2 339 413)
Distribution paid – interim 2018 – cash	–	–	–	–	(27 268 131)	(27 268 131)
Consolidation of The Greenbay Share Trust	8 –	(2 258 199)	–	–	–	(2 258 199)
Total comprehensive income:						
– Profit for the year	–	–	–	–	41 617 088	41 617 088
– Exchange differences on translation of foreign operations	–	–	–	(1 635 191)	–	(1 635 191)
Transfer to non-distributable reserve	–	–	(14 639 798)	–	14 639 798	–
Transfer of stated capital to non-distributable reserve	10.1 (400 000 000)	–	400 000 000	–	–	–
Return of capital distribution	10.1 –	11 658 301	(300 000 000)	–	–	(288 341 699)
Closing balance at 30 September 2018	600 703 936	(17 378 683)	(44 817 643)	(1 393 006)	55 335 282	592 449 886

¹ Refer to notes 1.4 and 10.

² Refer to note 1.15.

³ Refer to note 1.9.

COMPANY						
Notes	Stated capital ¹ EUR	Treasury shares ¹ EUR	Non-distributable reserve ² EUR	Foreign currency translation reserve ³ EUR	Retained earnings EUR	Total equity EUR
Restated balance at 30 September 2016	414 975 962	–	(51 667 150)	(115 480)	20 738 976	383 932 308
Previously reported balance at 30 September 2016	364 806 890	–	19 048 847	(20 758 845)	20 835 416	383 932 308
Financial liability derivatives from bookbuilds 28.5	70 927 917	–	(70 927 917)	–	–	–
Foreign currency translation reserve adjustment on change in functional currency 28.1	(20 758 845)	–	–	20 758 845	–	–
Change in functional currency 28.1	–	–	211 920	(115 480)	(96 440)	–
Change in functional currency	–	–	–	115 480	–	115 480
Issue of shares:	540 660 917	–	–	–	–	540 660 917
– 1 324 503 311 shares on 27 March 2017	154 710 438	–	–	–	–	154 710 438
– 620 000 000 shares on 12 June 2017	85 620 067	–	–	–	–	85 620 067
– 2 284 263 959 shares on 22 August 2017	300 330 412	–	–	–	–	300 330 412
Total comprehensive income:						
Loss for the year	–	–	–	–	(20 519 802)	(20 519 802)
Distribution paid – final 2016	5 588 558	–	–	–	(5 873 040)	(284 482)
– scrip issue – 56 962 424 shares	5 588 558	–	–	–	(5 588 558)	–
– cash	–	–	–	–	(284 482)	(284 482)
Distribution paid – interim 2017	14 142 249	–	–	–	(14 545 706)	(403 457)
– scrip issue – 115 613 498 shares on 14 June 2017	14 142 249	–	–	–	(14 142 249)	–
– cash	–	–	–	–	(403 457)	(403 457)
Transfer to non-distributable reserve	–	–	(70 649 299)	–	70 649 299	–
Restated balance at 30 September 2017	975 367 686	–	(122 316 449)	–	50 449 727	903 500 964
Previously reported balance at 30 September 2017	892 382 767	–	(28 374 589)	(11 028 765)	50 521 551	903 500 964
Financial liability derivatives from bookbuilds 28.5	94 013 684	–	(94 013 684)	–	–	–
Foreign currency translation reserve adjustment on change in functional currency 28.1	(11 028 765)	–	–	11 028 765	–	–
Change in functional currency 28.1	–	–	71 824	–	(71 824)	–
Issue of shares – 36 414 535 shares on 14 December 2017	5 675 326	–	–	–	–	5 675 326
Distribution paid – December 2017	19 660 924	–	–	–	(22 000 337)	(2 339 413)
– scrip issue – 129 515 466 shares	19 660 924	–	–	–	(19 660 924)	–
– cash	–	–	–	–	(2 339 413)	(2 339 413)
Distribution paid – June 2018	–	–	–	–	(27 373 187)	(27 373 187)
– scrip issue – nil shares	–	–	–	–	–	–
– cash	–	–	–	–	(27 373 187)	(27 373 187)
Total comprehensive income:						
Profit for the year	–	–	–	–	26 367 805	26 367 805
Transfer to non-distributable reserves	–	–	(9 471 354)	–	9 471 354	–
Transfer of stated capital to non-distributable reserve 10.1	(400 000 000)	–	400 000 000	–	–	–
Return of capital distribution 10.1	–	–	(300 000 000)	–	–	(300 000 000)
Closing balance at 30 September 2018	600 703 936	–	(31 787 803)	–	36 915 362	605 831 495

¹ Refer to notes 1.4 and 10.

² Refer to note 1.15.

³ Refer to note 1.9.

STATEMENTS OF CASH FLOWS

For the year ended 30 September 2018

	Notes	GROUP		COMPANY	
		2018 EUR	Restated 2017 EUR	2018 EUR	Restated 2017 EUR
Operating activities					
Cash generated from operations	18.1	30 176 660	24 850 190	29 923 141	10 355 911
Finance income received		549 840	4 297 231	1 996 621	11 541 597
Finance costs paid		(2 539 525)	(1 151 492)	(441 141)	(204 642)
Income tax paid	18.2	(1 414 710)	(456 726)	(1 177 898)	(239 304)
Distributions paid		(29 607 544)	(687 939)	(29 712 600)	(687 939)
Cash (outflow)/inflow from operating activities		(2 835 279)	26 851 264	588 123	20 765 623
Investing activities					
Additions to investment property		(1 135 768)	(606 061)	–	–
Proceeds on sale of investment property		16 200 000	–	–	–
Investment in listed security investments		(205 044 997)	(188 913 873)	(60 191 635)	(86 348 227)
Disposal of listed security investments		36 904 885	28 126 530	10 854 229	12 855 996
Payments on interest rate derivatives		(4 045 000)	(434 000)	–	(434 000)
Acquisition of LocaViseu, net of cash acquired	18.3	(53 717 986)	(57 781 822)	–	–
Increase in investment in and loans to subsidiaries		–	–	(135 402 578)	(405 126 838)
Proceeds from/(payment of) equity swap derivatives cash margin		36 304 612	(8 996 496)	26 603 635	8 109 920
Share Incentive loans (advanced)/repaid		(1 987 631)	2 043 808	(4 203 939)	2 043 808
Cash outflow from investing activities		(176 521 885)	(226 561 914)	(162 340 288)	(468 899 341)
Financing activities					
(Repayment)/drawdown of interest-bearing borrowings		(1 438 265)	26 089 853	–	–
Proceeds from issuance of shares		5 675 326	517 575 150	5 675 326	517 575 150
Repurchase of shares		(29 036 984)	–	–	–
Cash (outflow)/inflow from financing activities		(24 799 923)	543 665 003	5 675 326	517 575 150
(Decrease)/increase in cash and cash equivalents		(204 157 087)	343 954 353	(156 076 839)	69 441 432
Effect of exchange rate changes on cash held		11 487 820	(15 060 481)	11 266 961	(12 634 233)
Cash and cash equivalents at the beginning of the year		548 279 585	219 385 713	275 779 140	218 971 941
Cash and cash equivalents at the end of the year		355 610 318	548 279 585	130 969 262	275 779 140

SEGMENTAL ANALYSIS

The group determines and presents operating segments based on the information that is provided internally to the company's board and investment committee, jointly the group's chief operating decision-maker ("CODM"). The group comprises three segments: listed infrastructure, listed real estate and direct property. Each operating segment's operating results are reviewed quarterly by the CODM to make decisions about the segment's performance, resource allocation, risk assessment and for which discrete financial information is available.

Segment	Description
Listed infrastructure	Investments in liquid listed infrastructure securities on recognised exchanges, utilising both cash investments and equity swap derivatives.
Listed real estate	Investments in liquid listed real estate securities on recognised exchanges, utilising both cash investments and equity swap derivatives.
Direct property	Investments in direct commercial properties in the retail sector. Opportunistic acquisitions in the retail, logistics, industrial, warehousing and office sectors are also considered.

CURRENCY SEGMENTS

The group also reports information on currency analysis to the CODM, in addition to the main reportable segments. The currency segments also represent geographical segments for the investments and investment property balance sheet line items, as well as the investment revenue and property rental and related revenue profit and loss line items.

The following currency segments have been identified:

- » Australian Dollar ("AUD");
- » Canadian Dollar ("CAD");
- » Euro ("EUR");
- » Hong Kong Dollar ("HKD");
- » Singapore Dollar ("SGD");
- » Pound Sterling ("GBP");
- » United States Dollar ("USD").

RECONCILIATION OF SEGMENTAL REPORTING TO IFRS ANNUAL FINANCIAL STATEMENTS

The reconciliation of the segmental reporting with annual financial information extracted from the consolidated annual financial statements for the year ended 30 September 2018 is included in the segmental report and primarily relates to the matters below:

» LocaViseu

This adjustment proportionately consolidates the indirect investments in Forum Coimbra and Forum Viseu that are held through LocaViseu, accounted for using the equity method. It effectively discloses the group's interest in the assets, liabilities and results of operations from these investments by disclosing the consolidated accounts for the periods ended on a line-by-line basis. The goodwill relates to the deferred tax liability assumed on acquisition. Typically, these transactions entail the disposal of companies instead of underlying properties and it is management's view that the deferred tax in the LocaViseu group will not become payable. As such, the goodwill has been offset against the deferred tax liability.

» Financial liability derivatives from bookbuilds

The cumulative impact of the financial liability derivatives, which relate to Greenbay's 2016 and 2017 bookbuilds, has been removed for purposes of the segmental analysis.

» Equity swap derivatives

The equity swap derivatives are reported in the segmental analysis in its respective components, i.e. grossed-up by multiplying the shares held in each counter by the quoted closing price of the respective counter at the reporting date, raising the corresponding equity swap liability and separating the profit or loss impact between dividend income on the underlying equities, fair value gains and losses on the underlying equities and the implied borrowing costs on the implicit equity swap liability. This more appropriately reflects the group's assets, liabilities, revenue and expenses for segmental analysis.

» Finance income

Finance income is classified as net finance costs, instead of revenue.

SEGMENTAL ANALYSIS continued

Consolidated statement of financial position as at 30 September 2018

	SEGMENTS		
	Listed infrastructure 2018 EUR	Listed real estate 2018 EUR	Direct property 2018 EUR
ASSETS			
Non-current assets	427 793 609	251 548 636	296 379 944
Investment property	–	–	292 693 712
Investments	427 793 609	251 548 636	–
Financial and other assets	–	–	3 686 232
Goodwill	–	–	–
Current assets	48 087 636	27 776 657	11 779 450
Investments	10 299 132	–	–
Financial and other assets	–	–	578 572
Trade and other receivables	3 930 031	5 805 275	2 923 146
Cash and cash equivalents	33 858 473	21 971 382	8 277 732
Total assets	475 881 245	279 325 293	308 159 394
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	–	–	–
Stated capital			
Treasury shares			
Non-distributable reserve			
Foreign currency translation reserve			
Retained earnings			
Total liabilities	269 379 248	110 994 228	141 633 386
Non-current liabilities	260 912 299	105 965 657	132 403 401
Interest-bearing borrowings	260 912 299	105 965 657	124 878 211
Deferred tax	–	–	7 409 885
Financial liabilities	–	–	115 305
Current liabilities	8 466 949	5 028 571	9 229 985
Interest-bearing borrowings	–	–	1 443 902
Financial liabilities	–	–	–
Trade and other payables	8 466 949	5 028 571	7 165 942
Income tax payable	–	–	620 141
Total equity and liabilities	269 379 248	110 994 228	141 633 386

SEGMENTS	GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP
Corporate 2018 EUR	2018 EUR	LocaViseu 2018 EUR	Financial liability derivatives from bookbuilds 2018 EUR	Equity swap derivatives 2018 EUR	Audited 2018 EUR
324 757	976 046 946	(24 220 132)	–	311 048 101	689 218 977
–	292 693 712	–	–	–	292 693 712
–	679 342 245	–	–	366 877 956	312 464 289
324 757	4 010 989	–	–	(55 829 855)	59 840 844
–	–	(24 220 132)	–	–	24 220 132
347 857 784	435 501 527	–	–	55 829 855	379 671 672
–	10 299 132	–	–	–	10 299 132
154 214	732 786	–	–	–	732 786
370 984	13 029 436	–	–	–	13 029 436
347 332 586	411 440 173	–	–	55 829 855	355 610 318
348 182 541	1 411 548 473	(24 220 132)	–	366 877 956	1 068 890 649
592 449 886	592 449 886	–	–	–	592 449 886
506 690 252	506 690 252	–	(94 013 684)	–	600 703 936
(17 378 683)	(17 378 683)	–	–	–	(17 378 683)
49 196 041	49 196 041	–	94 013 684	–	(44 817 643)
(1 393 006)	(1 393 006)	–	–	–	(1 393 006)
55 335 282	55 335 282	–	–	–	55 335 282
297 091 725	819 098 587	(24 220 132)	–	366 877 956	476 440 763
419 720	499 701 077	(24 220 132)	–	366 877 956	157 043 253
–	491 756 167	–	–	366 877 956	124 878 211
–	7 409 885	(24 220 132)	–	–	31 630 017
419 720	535 025	–	–	–	535 025
296 672 005	319 397 510	–	–	–	319 397 510
–	1 443 902	–	–	–	1 443 902
591 000	591 000	–	–	–	591 000
295 727 911	316 389 373	–	–	–	316 389 373
353 094	973 235	–	–	–	973 235
889 541 611	1 411 548 473	(24 220 132)	–	366 877 956	1 068 890 649

SEGMENTAL ANALYSIS continued

Consolidated statement of financial position as at 30 September 2017

	SEGMENTS		
	Listed infrastructure 2017 EUR	Listed real estate 2017 EUR	Direct property 2017 EUR
ASSETS			
Non-current assets	497 503 186	331 356 338	184 992 085
Investment property	–	–	184 442 548
Investments	497 503 186	331 356 338	–
Investment in and loans to joint venture	–	–	–
Financial and other assets	–	–	549 537
Current assets	149 037 860	87 487 103	5 870 514
Financial and other assets	–	–	86 800
Trade and other receivables	1 180 019	1 519 278	732 932
Cash and cash equivalents	147 857 841	85 967 825	5 050 782
Total assets	646 541 046	418 843 441	190 862 599
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	–	–	–
Stated capital			
Non-distributable reserve			
Foreign currency translation reserve			
Retained earnings			
Total liabilities	429 847 430	252 443 997	85 258 229
Non-current liabilities	423 296 877	246 114 183	79 420 492
Interest-bearing borrowings	423 296 877	246 114 183	75 303 348
Deferred tax	–	–	4 117 144
Current liabilities	6 550 553	6 329 814	5 837 737
Interest-bearing borrowings	–	–	1 374 996
Trade and other payables	6 550 553	6 329 814	4 462 741
Income tax payable	–	–	–
Total equity and liabilities	429 847 430	252 443 997	85 258 229

SEGMENTS	GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP
Corporate 2017 EUR	2017 EUR	LocaViseu 2017 EUR	Financial liability derivatives from bookbuilds 2017 EUR	Equity swap derivatives 2017 EUR	Restated 2017 EUR
505 679	1 014 357 288	53 638 990	–	577 276 593	383 441 705
–	184 442 548	113 000 000	–	–	71 442 548
–	828 859 524	–	–	669 411 060	159 448 464
–	–	(59 361 010)	–	–	59 361 010
505 679	1 055 216	–	–	(92 134 467)	93 189 683
405 780 267	648 175 744	3 854 148	–	92 134 467	552 187 129
303 668	390 468	–	–	–	390 468
1 159 167	4 591 396	1 074 320	–	–	3 517 076
404 317 432	643 193 880	2 779 828	–	92 134 467	548 279 585
406 285 946	1 662 533 032	57 493 138	–	669 411 060	935 628 834
893 778 890	893 778 890	–	–	–	893 778 890
881 354 002	881 354 002	–	(94 013 684)	–	975 367 686
(36 164 161)	(36 164 161)	–	94 013 684	–	(130 177 845)
242 185	242 185	–	–	–	242 185
48 346 864	48 346 864	–	–	–	48 346 864
1 204 486	768 754 142	57 493 138	–	669 411 060	41 849 944
–	748 831 552	54 275 778	–	669 411 060	25 144 714
–	744 714 408	50 588 491	–	669 411 060	24 714 857
–	4 117 144	3 687 287	–	–	429 857
1 204 486	19 922 590	3 217 360	–	–	16 705 230
–	1 374 996	–	–	–	1 374 996
544 663	17 887 771	3 217 360	–	–	14 670 411
659 823	659 823	–	–	–	659 823
894 983 376	1 662 533 032	57 493 138	–	669 411 060	935 628 834

SEGMENTAL ANALYSIS continued

Consolidated statement of financial position as at 30 September 2018

	CURRENCY SEGMENTS				
	AUD 2018 EUR	CAD 2018 EUR	EUR 2018 EUR	HKD 2018 EUR	SGD 2018 EUR
ASSETS					
Non-current assets	42 132 649	99 388 758	459 803 755	21 968 836	–
Investment property	–	–	292 693 712	–	–
Investments	42 060 548	99 380 137	163 423 811	21 968 528	–
Financial and other assets	72 101	8 621	3 686 232	308	–
Goodwill	–	–	–	–	–
Current assets	546 426	4 321 602	263 974 309	4 408 497	188 426
Investments	–	–	10 299 132	–	–
Financial and other assets	106 966	8 471	578 571	–	9 921
Trade and other receivables	–	1 865 255	3 324 245	2 770 789	–
Cash and cash equivalents	439 460	2 447 876	249 772 361	1 637 708	178 505
Total assets	42 679 075	103 710 360	723 778 064	26 377 333	188 426
EQUITY AND LIABILITIES					
Total equity attributable to equity holders	–	–	–	–	–
Stated capital					
Treasury shares					
Non-distributable reserve					
Foreign currency translation reserve					
Retained earnings					
Total liabilities	21 457 893	50 832 476	246 093 354	60 587	7 601
Non-current liabilities	20 305 178	47 600 929	219 894 513	1 813	5 325
Interest-bearing borrowings	20 305 178	47 597 543	212 128 386	–	–
Deferred tax	–	–	7 409 885	–	–
Financial liabilities	–	3 386	356 242	1 813	5 325
Current liabilities	1 152 715	3 231 547	26 198 841	58 774	2 276
Interest-bearing borrowings	–	–	1 443 902	–	–
Financial liabilities	40 172	77 178	–	58 774	2 276
Trade and other payables	1 112 543	3 154 369	24 134 798	–	–
Income tax payable	–	–	620 141	–	–
Total equity and liabilities	21 457 893	50 832 476	246 093 354	60 587	7 601

CURRENCY SEGMENTS			GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP
GBP 2018 EUR	USD 2018 EUR	Corporate 2018 EUR	2018 EUR	LocaViseu 2018 EUR	Financial liability derivatives from bookbuilds 2018 EUR	Equity swap derivatives 2018 EUR	Audited 2018 EUR
43 529 472	308 979 749	243 727	976 046 946	(24 220 132)	–	311 048 101	689 218 977
–	–	–	292 693 712	–	–	–	292 693 712
43 529 472	308 979 749	–	679 342 245	–	–	366 877 956	312 464 289
–	–	243 727	4 010 989	–	–	(55 829 855)	59 840 844
–	–	–	–	(24 220 132)	–	–	24 220 132
3 718 433	4 056 550	154 287 284	435 501 527	–	–	55 829 855	379 671 672
–	–	–	10 299 132	–	–	–	10 299 132
13 881	14 976	–	732 786	–	–	–	732 786
422 128	4 647 019	–	13 029 436	–	–	–	13 029 436
3 282 424	(605 445)	154 287 284	411 440 173	–	–	55 829 855	355 610 318
47 247 905	313 036 299	154 531 011	1 411 548 473	(24 220 132)	–	366 877 956	1 068 890 649
–	–	592 449 886	592 449 886	–	–	–	592 449 886
		506 690 252	506 690 252	–	(94 013 684)	–	600 703 936
		(17 378 683)	(17 378 683)	–	–	–	(17 378 683)
		49 196 041	49 196 041	–	94 013 684	–	(44 817 643)
		(1 393 006)	(1 393 006)	–	–	–	(1 393 006)
		55 335 282	55 335 282	–	–	–	55 335 282
15 348	217 931 005	282 700 323	819 098 587	(24 220 132)	–	366 877 956	476 440 763
2 572	211 890 747	–	499 701 077	(24 220 132)	–	366 877 956	157 043 253
–	211 725 060	–	491 756 167	–	–	366 877 956	124 878 211
–	–	–	7 409 885	(24 220 132)	–	–	31 630 017
2 572	165 687	–	535 025	–	–	–	535 025
12 776	6 040 258	282 700 323	319 397 510	–	–	–	319 397 510
–	–	–	1 443 902	–	–	–	1 443 902
5 224	407 376	–	591 000	–	–	–	591 000
7 552	5 632 882	282 347 229	316 389 373	–	–	–	316 389 373
–	–	353 094	973 235	–	–	–	973 235
15 348	217 931 005	875 150 209	1 411 548 473	(24 220 132)	–	366 877 956	1 068 890 649

SEGMENTAL ANALYSIS continued

Consolidated statement of financial position as at 30 September 2017

	CURRENCY SEGMENTS				
	AUD 2017 EUR	CAD 2017 EUR	EUR 2017 EUR	HKD 2017 EUR	SGD 2017 EUR
ASSETS					
Non-current assets	70 442 108	99 959 172	380 030 586	9 651 696	11 933 790
Investment property	–	–	184 442 548	–	–
Investments	70 442 108	99 959 172	195 038 501	9 651 696	11 933 790
Investment in and loans to joint venture	–	–	–	–	–
Financial and other assets	–	–	549 537	–	–
Current assets	1 781 606	1 750 690	581 043 409	4 333	1 466 401
Financial and other assets	20 148	13 840	86 800	(901)	2 770
Trade and other receivables	264 590	1 358 177	1 254 967	901	(2 770)
Cash and cash equivalents	1 496 868	378 673	579 701 642	4 333	1 466 401
Total assets	72 223 714	101 709 862	961 073 995	9 656 029	13 400 191
EQUITY AND LIABILITIES					
Total equity attributable to equity holders	–	–	–	–	–
Stated capital					
Non-distributable reserve					
Foreign currency translation reserve					
Retained earnings					
Total liabilities	70 837 115	100 081 384	187 439 753	–	12 397 560
Non-current liabilities	70 442 108	99 959 172	181 130 675	–	11 933 790
Interest-bearing borrowings	70 442 108	99 959 172	177 013 531	–	11 933 790
Deferred tax	–	–	4 117 144	–	–
Financial liabilities	–	–	–	–	–
Current liabilities	395 007	122 212	6 309 078	–	463 770
Interest-bearing borrowings	–	–	1 374 996	–	–
Trade and other payables	395 007	122 212	4 934 082	–	463 770
Income tax payable	–	–	–	–	–
Total equity and liabilities	70 837 115	100 081 384	187 439 753	–	12 397 560

CURRENCY SEGMENTS			GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS			GROUP
GBP 2017 EUR	USD 2017 EUR	Corporate 2017 EUR	2017 EUR	LocaViseu 2017 EUR	Financial liability derivatives from bookbuilds 2017 EUR	Equity swap derivatives 2017 EUR	Restated 2017 EUR
9 506 026	432 328 231	505 679	1 014 357 288	53 638 990	–	577 276 593	383 441 705
–	–	–	184 442 548	113 000 000	–	–	71 442 548
9 506 026	432 328 231	–	828 859 524	–	–	669 411 060	159 448 464
–	–	–	–	(59 361 010)	–	–	59 361 010
–	–	505 679	1 055 216	–	–	(92 134 467)	93 189 683
1 569 783	58 720 105	1 839 417	648 175 744	3 854 148	–	92 134 467	552 187 129
107 766	160 045	–	390 468	–	–	–	390 468
(107 766)	882 496	940 801	4 591 396	1 074 320	–	–	3 517 076
1 569 783	57 677 564	898 616	643 193 880	2 779 828	–	92 134 467	548 279 585
11 075 809	491 048 336	2 345 096	1 662 533 032	57 493 138	–	669 411 060	935 628 834
–	–	893 778 890	893 778 890	–	–	–	893 778 890
		881 354 002	881 354 002	–	(94 013 684)	–	975 367 686
		(36 164 161)	(36 164 161)	–	94 013 684	–	(130 177 845)
		242 185	242 185	–	–	–	242 185
		48 346 864	48 346 864	–	–	–	48 346 864
6 483 553	390 443 826	1 070 951	768 754 142	57 493 138	–	669 411 060	41 849 944
6 337 351	379 028 456	–	748 831 552	54 275 778	–	669 411 060	25 144 714
6 337 351	379 028 456	–	744 714 408	50 588 491	–	669 411 060	24 714 857
–	–	–	4 117 144	3 687 287	–	–	429 857
–	–	–	–	–	–	–	–
146 202	11 415 370	1 070 951	19 922 590	3 217 360	–	–	16 705 230
–	–	–	1 374 996	–	–	–	1 374 996
146 202	11 415 370	411 128	17 887 771	3 217 360	–	–	14 670 411
–	–	659 823	659 823	–	–	–	659 823
6 483 553	390 443 826	894 849 841	1 662 533 032	57 493 138	–	669 411 060	935 628 834

SEGMENTAL ANALYSIS continued

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2018

	SEGMENTS			
	Listed infrastructure 2018 EUR	Listed real estate 2018 EUR	Direct property 2018 EUR	Corporate 2018 EUR
Investment revenue	34 088 375	29 669 055	–	–
Property rental and related revenue	–	–	16 886 678	–
Finance income	–	–	–	–
Total revenue	34 088 375	29 669 055	16 886 678	–
Fair value (loss)/gain on investment property, investments and derivatives	(30 633 127)	3 129 327	5 582 316	(3 087 789)
Fair value (loss)/gain on investments	(30 633 127)	3 129 327	–	–
Fair value gain on investment property	–	–	5 883 179	–
Fair value loss on currency, interest rate and other derivatives	–	–	(300 863)	(838 207)
Impairment of Share Incentive loans	–	–	–	(2 249 582)
Property operating expenses	–	–	(5 806 063)	–
Administrative and other expenses	(442 425)	(289 184)	(332 548)	(5 102 456)
Foreign exchange gain	3 303 578	3 768 222	–	7 826 845
Share of profit from joint venture	–	–	–	–
Operating profit/(loss)	6 316 401	36 277 420	16 330 383	(363 400)
Finance income	–	–	1 392	548 449
Finance costs	(7 376 960)	(3 374 136)	(2 465 335)	(1 286 505)
Other income	–	–	–	167 301
(Loss)/profit before tax	(1 060 559)	32 903 284	13 866 440	(934 155)
Income tax expense	–	–	(2 286 753)	(871 169)
(Loss)/profit for the year attributable to equity holders of the company	(1 060 559)	32 903 284	11 579 687	(1 805 324)

	GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
	Revised total 2018 EUR	LocaViseu 2018 EUR	Finance income 2018 EUR	Financial liability derivatives from bookbuilds 2018 EUR	Equity swap derivatives 2018 EUR	Audited 2018 EUR
	63 757 430	–	–	–	42 436 328	21 321 102
	16 886 678	8 067 552	–	–	–	8 819 126
	–	–	(549 841)	–	–	549 841
	80 644 108	8 067 552	(549 841)	–	42 436 328	30 690 069
	(25 009 273)	4 529 171	–	–	(31 685 232)	2 146 788
	(27 503 800)	–	–	–	(31 685 232)	4 181 432
	5 883 179	4 529 171	–	–	–	1 354 008
	(1 139 070)	–	–	–	–	(1 139 070)
	(2 249 582)	–	–	–	–	(2 249 582)
	(5 806 063)	(2 175 226)	–	–	–	(3 630 837)
	(6 166 613)	(141 813)	–	–	–	(6 024 800)
	14 898 645	–	–	–	–	14 898 645
	–	(7 028 539)	–	–	–	7 028 539
	58 560 804	3 251 145	(549 841)	–	10 751 096	45 108 404
	549 841	–	549 841	–	–	–
	(14 502 936)	(1 212 315)	–	–	(10 751 096)	(2 539 525)
	167 301	–	–	–	–	167 301
	44 775 010	2 038 830	–	–	–	42 736 180
	(3 157 922)	(2 038 830)	–	–	–	(1 119 092)
	41 617 088	–	–	–	–	41 617 088

SEGMENTAL ANALYSIS continued

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2017

	SEGMENTS				
	Listed infrastructure 2017 EUR	Listed real estate 2017 EUR	Direct property 2017 EUR	Corporate 2017 EUR	
Investment revenue	15 357 407	15 107 782	–	1 007 042	
Property rental and related revenue	–	–	9 234 979	–	
Finance income	–	–	–	–	
Total revenue	15 357 407	15 107 782	9 234 979	1 007 042	
Fair value gain/(loss) on investment property, investments and derivatives	1 999 019	(17 810 680)	804 939	571 105	
Fair value gain/(loss) on investments	1 999 019	(17 810 680)	–	–	
Fair value gain on investment property	–	–	804 939	–	
Fair value gain/(loss) on currency, interest rate and other derivatives	–	–	–	571 105	
Property operating expenses	–	–	(3 050 156)	–	
Administrative and other expenses	(157 363)	(91 495)	(74 193)	(2 387 391)	
Foreign exchange loss	(11 585 762)	(6 641 875)	–	(4 365 780)	
Share of profit from joint venture	–	–	–	–	
Operating profit/(loss)	5 613 301	(9 436 268)	6 915 569	(5 175 024)	
Finance income	–	–	289	4 296 942	
Finance costs	(4 026 346)	(2 341 007)	(985 572)	(544 225)	
Profit/(loss) before tax	1 586 955	(11 777 275)	5 930 286	(1 422 307)	
Income tax expense	–	–	(949 482)	(770 666)	
Profit/(loss) for the year attributable to equity holders of the company	1 586 955	(11 777 275)	4 980 804	(2 192 973)	

	GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
	Revised total 2017 EUR	LocaViseu 2017 EUR	Finance income 2017 EUR	Financial liability derivatives from bookbuilds 2017 EUR	Equity swap derivatives 2017 EUR	Restated 2017 EUR
	31 472 231	–	–	–	27 803 793	3 668 438
	9 234 979	3 269 670	–	–	–	5 965 309
	–	–	(4 297 231)	–	–	4 297 231
	40 707 210	3 269 670	(4 297 231)	–	27 803 793	13 930 978
	(14 435 617)	40 084	–	23 085 767	(21 436 440)	(16 125 028)
	(15 811 661)	–	–	–	(21 436 440)	5 624 779
	804 939	40 084	–	–	–	764 855
	571 105	–	–	23 085 767	–	(22 514 662)
	(3 050 156)	(1 015 014)	–	–	–	(2 035 142)
	(2 710 442)	(31 528)	–	–	–	(2 678 914)
	(22 593 417)	–	–	–	–	(22 593 417)
	–	(1 579 188)	–	–	–	1 579 188
	(2 082 422)	684 024	(4 297 231)	23 085 767	6 367 353	(27 922 335)
	4 297 231	–	4 297 231	–	–	–
	(7 897 150)	(378 305)	–	–	(6 367 353)	(1 151 492)
	(5 682 341)	305 719	–	23 085 767	–	(29 073 827)
	(1 720 148)	(305 719)	–	–	–	(1 414 429)
	(7 402 489)	–	–	23 085 767	–	(30 488 256)

SEGMENTAL ANALYSIS continued

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2018

CURRENCY SEGMENTS

	AUD 2018 EUR	CAD 2018 EUR	EUR 2018 EUR	HKD 2018 EUR	SGD 2018 EUR	GBP 2018 EUR
Investment revenue	4 663 755	6 037 992	11 145 616	1 099 383	771 278	3 154 373
Property rental and related revenue	–	–	16 886 678	–	–	–
Finance income	–	–	–	–	–	–
Total revenue	4 663 755	6 037 992	28 032 294	1 099 383	771 278	3 154 373
Fair value (loss)/gain on investment property, investments and derivatives	(983 420)	(15 852 137)	(13 501 247)	4 284 738	(214 965)	(7 836 259)
Fair value (loss)/gain on investments	(1 102 167)	(15 774 825)	(19 083 564)	4 344 116	(214 514)	(7 734 577)
Fair value gain on investment property	–	–	5 883 179	–	–	–
Fair value gain/(loss) on currency, interest rate and other derivatives	118 747	(77 312)	(300 862)	(59 378)	(451)	(101 682)
Impairment of Share Incentive loans	–	–	–	–	–	–
Property operating expenses	–	–	(5 806 063)	–	–	–
Administrative and other expenses	(49 546)	(89 557)	(2 767 066)	(19 465)	(8 346)	(56 476)
Foreign exchange gain/(loss)	382 209	2 332 264	887	761 383	418 503	(118 578)
Share of profit from joint venture	–	–	–	–	–	–
Operating profit/(loss)	4 012 998	(7 571 438)	5 958 805	6 126 039	966 470	(4 856 940)
Finance income	–	–	1 749	–	–	–
Finance costs	(937 777)	(1 294 043)	(4 056 740)	(4 370)	(57 273)	(50 070)
Other income	–	–	167 301	–	–	–
Profit/(loss) before tax	3 075 221	(8 865 481)	2 071 115	6 121 669	909 197	(4 907 010)
Income tax expense	–	–	(2 286 753)	–	–	–
Profit/(loss) for the year attributable to equity holders of the company	3 075 221	(8 865 481)	(215 638)	6 121 669	909 197	(4 907 010)

CURRENCY SEGMENTS		GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
USD 2018 EUR	Corporate 2018 EUR	Revised total 2018 EUR	LocaViseu 2018 EUR	Finance income 2018 EUR	Financial liability derivatives from bookbuilds 2018 EUR	Equity swap derivatives 2018 EUR	Audited 2018 EUR
36 885 033	–	63 757 430	–	–	–	42 436 328	21 321 102
–	–	16 886 678	8 067 552	–	–	–	8 819 126
–	–	–	–	(549 841)	–	–	549 841
36 885 033	–	80 644 108	8 067 552	(549 841)	–	42 436 328	30 690 069
11 343 599	(2 249 582)	(25 009 273)	4 529 171	–	–	(31 685 232)	2 146 788
12 061 731	–	(27 503 800)	–	–	–	(31 685 232)	4 181 432
–	–	5 883 179	4 529 171	–	–	–	1 354 008
(718 132)	–	(1 139 070)	–	–	–	–	(1 139 070)
–	(2 249 582)	(2 249 582)	–	–	–	–	(2 249 582)
–	–	(5 806 063)	(2 175 226)	–	–	–	(3 630 837)
(471 232)	(2 704 925)	(6 166 613)	(141 813)	–	–	–	(6 024 800)
6 472 297	4 649 680	14 898 645	–	–	–	–	14 898 645
–	–	–	(7 028 539)	–	–	–	7 028 539
54 229 697	(304 827)	58 560 804	3 251 145	(549 841)	–	10 751 096	45 108 404
–	548 092	549 841	–	549 841	–	–	–
(7 766 564)	(336 099)	(14 502 936)	(1 212 315)	–	–	(10 751 096)	(2 539 525)
–	–	167 301	–	–	–	–	167 301
46 463 133	(92 834)	44 775 010	2 038 830	–	–	–	42 736 180
–	(871 169)	(3 157 922)	(2 038 830)	–	–	–	(1 119 092)
46 463 133	(964 003)	41 617 088	–	–	–	–	41 617 088

SEGMENTAL ANALYSIS continued

Consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2017

	CURRENCY SEGMENTS					
	AUD 2017 EUR	CAD 2017 EUR	EUR 2017 EUR	HKD 2017 EUR	SGD 2017 EUR	GBP 2017 EUR
Investment revenue	1 533 753	2 278 378	6 458 967	42 818	574 534	1 286 731
Property rental and related revenue	–	–	9 234 979	–	–	–
Finance income	–	–	–	–	–	–
Total revenue	1 533 753	2 278 378	15 693 946	42 818	574 534	1 286 731
Fair value gain/(loss) on investment property, investments and derivatives	1 140 301	80 630	(3 596 603)	561	(70 053)	203 844
Fair value gain/(loss) on investments	1 120 153	66 790	(4 668 979)	1 462	(72 823)	96 078
Fair value gain on investment property	–	–	804 939	–	–	–
Fair value gain/(loss) on currency, interest rate and other derivatives	20 148	13 840	267 437	(901)	2 770	107 766
Property operating expenses	–	–	(3 050 156)	–	–	–
Administrative and other expenses	(15 572)	(22 425)	(352 343)	(1 070)	(5 426)	(20 548)
Foreign exchange gain/(loss)	667 268	43 772	–	99 697	(67 041)	(3 974 635)
Share of profit from joint venture	–	–	–	–	–	–
Operating profit/(loss)	3 325 750	2 380 355	8 694 844	142 006	432 014	(2 504 608)
Finance income	72	13	608 703	–	–	1 762
Finance costs	(626 210)	(631 214)	(1 708 920)	(57)	(132 513)	(137 911)
Profit/(loss) before tax	2 699 612	1 749 154	7 594 627	141 949	299 501	(2 640 757)
Income tax expense	–	–	(949 482)	–	–	–
Profit/(loss) for the year attributable to equity holders of the company	2 699 612	1 749 154	6 645 145	141 949	299 501	(2 640 757)

CURRENCY SEGMENTS		GROUP MANAGEMENT ACCOUNTS	MANAGEMENT ACCOUNTS' ADJUSTMENTS				GROUP
USD 2017 EUR	Corporate 2017 EUR	Revised total 2017 EUR	LocaViseu 2017 EUR	Finance income 2017 EUR	Financial liability derivatives from bookbuilds 2017 EUR	Equity swap derivatives 2017 EUR	Restated 2017 EUR
19 297 050	–	31 472 231	–	–	–	27 803 793	3 668 438
–	–	9 234 979	3 269 670	–	–	–	5 965 309
–	–	–	–	(4 297 231)	–	–	4 297 231
19 297 050	–	40 707 210	3 269 670	(4 297 231)	–	27 803 793	13 930 978
(12 194 297)	–	(14 435 617)	40 084	–	23 085 767	(21 436 440)	(16 125 028)
(12 354 342)	–	(15 811 661)	–	–	–	(21 436 440)	5 624 779
–	–	804 939	40 084	–	–	–	764 855
160 045	–	571 105	–	–	23 085 767	–	(22 514 662)
–	–	(3 050 156)	(1 015 014)	–	–	–	(2 035 142)
(140 836)	(2 152 222)	(2 710 442)	(31 528)	–	–	–	(2 678 914)
(6 429 322)	(12 933 156)	(22 593 417)	–	–	–	–	(22 593 417)
–	–	–	(1 579 188)	–	–	–	1 579 188
532 595	(15 085 378)	(2 082 422)	684 024	(4 297 231)	23 085 767	6 367 353	(27 922 335)
5 321	3 681 360	4 297 231	–	4 297 231	–	–	–
(4 646 526)	(13 799)	(7 897 150)	(378 305)	–	–	(6 367 353)	(1 151 492)
(4 108 610)	(11 417 817)	(5 682 341)	305 719	–	23 085 767	–	(29 073 827)
–	(770 666)	(1 720 148)	(305 719)	–	–	–	(1 414 429)
(4 108 610)	(12 188 483)	(7 402 489)	–	–	23 085 767	–	(30 488 256)

SEGMENTAL ANALYSIS continued

DISTRIBUTABLE EARNINGS PER SHARE AND KEY RATIOS

The calculation of distributable earnings per share was based on the profit/(loss) after tax, adjusted as shown in the table below, to arrive at the distributable earnings and the number of shares in issue at 30 September 2018 and 2017 respectively.

	Unaudited 2018 EUR	Unaudited 2017 EUR
Profit/(loss) for the year attributable to equity holders of the company	41 617 088	(30 488 256)
Fair value gain on investments	(4 181 432)	(5 624 779)
Fair value gain on investment property	(1 371 166)	(766 017)
Fair value loss on currency, interest rate and other derivatives	1 139 070	22 514 662
Impairment of Share Incentive loans	2 249 582	–
Foreign exchange (gain)/loss	(14 898 645)	22 593 417
Non-distributable portion of share of profit from joint venture	(3 386 338)	–
Dividends on equity swap derivatives included in fair value loss on investments	42 436 328	25 397 763
Net dividends accrued on listed security investments (including equity swap derivatives)	(1 094 020)	2 794 275
Borrowing costs on equity swap derivatives	(10 751 096)	(6 367 353)
Retained distributable earnings from prior year – March 2018	295 282	–
Antecedent distribution – interim	203 504	3 127 867
Antecedent distribution – final	–	5 290 796
Distributable earnings for the year	52 258 157	38 472 375
Less: Distributions	(51 047 121)	(36 546 043)
Interim distribution declared	(27 373 187)	(14 545 706)
Final distribution declared	(23 673 934)	(22 000 337)
Earnings not distributed	1 211 036	1 926 332
	Unaudited 2018 EUR	Unaudited 2017 EUR
Number of shares entitled to distribution	9 488 106 526	9 322 176 525
Treasury shares: Repurchased shares held in Greenbay Investments 1 Limited	(332 303 187)	–
Treasury shares: Incentive shares held by The Greenbay Share Trust	(36 414 535)	–
	9 119 388 804	9 322 176 525
Weighted average shares in issue during the year	9 413 870 356	6 123 109 544
Distributable earnings per share (EUR cents)	0,5508	0,4929
Less: Distributions (EUR cents):	(0,5481)	(0,4668)
Interim distribution per share (EUR cents) – declared	(0,2885)	(0,2308)
Final distribution per share (EUR cents) – proposed	(0,2596)	(0,2360)
Distributable earnings per share not distributed (EUR cents)	0,0027	0,0261
Distribution payout ratio (%)	99,5	94,7
Net asset value per share (EUR cents)	6,4966	9,5877
Tangible net asset value per share (EUR cents)	6,2310	9,4779
Net asset value per share before 10 October 2018 return of capital (EUR cents)	9,6585	n/a

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

For the year ended 30 September 2018

REPORTING ENTITY

Greenbay Properties Ltd (the “company”) is a public company limited by shares that was incorporated in Mauritius on 14 August 2014. The company holds a Category One Global Business Licence issued by the Financial Services Commission. The company’s registered office is C-401, 4th Floor, La Croisette, Grand Baie, Mauritius. The consolidated annual financial statements of the group for the year ended 30 September 2018 comprise the company and its subsidiaries (jointly the “group”). The consolidated and separate annual financial statements were authorised for issue by the directors on 7 December 2018. These annual financial statements will be submitted for consideration and approval at the forthcoming annual general meeting.

The group’s main activities were to invest globally in listed real estate and infrastructure securities, and direct property in developed markets. At the general meeting held on 26 November 2018, the shareholders approved the following:

- » A transfer of EUR450 million from stated capital to non-distributable reserves;
- » A capital payment to shareholders of up to EUR300 million;
- » Amendments to the constitution of the company to reflect a revised investment strategy;
- » A change of the name of the company; and
- » The consolidation of the shares of the company on a 20 for 1 basis.

As a result of the abovementioned approvals, the following occurred:

- » On 27 November 2018, the Greenbay board announced the return of an additional EUR300 million of capital to shareholders, payable on 10 December 2018;
- » The company’s constitution has been amended (refer to <https://www.lighthousecapital.mu/corporate-governance/> for a copy of the updated constitution);
- » The company revised its strategy following shareholder approval;
- » The company’s name changed to Lighthouse Capital Limited on 4 December 2018; and
- » The company’s shares will be consolidated on a 1 for 20 basis, effective from 18 December 2018.

The directors have assessed the group’s and company’s ability to continue as a going concern and there is no reason to believe that the businesses will not be going concerns in the year ahead. (Refer to note 22 for additional details.)

BASIS OF PREPARATION

Basis of measurement

The consolidated and separate annual financial statements are prepared on the historical-cost basis, unless indicated otherwise in the accounting policies.

Statement of compliance

The annual financial statements of the group and company are prepared in accordance with International Financial Reporting Standards (“IFRS”), interpretations adopted by the International Accounting Standards Board (“IASB”), interpretations as issued by the International Financial Reporting Interpretations Committee (“IFRIC”), Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements, and with the Mauritian Companies Act 2001.

The accounting policies are consistent with those applied in the prior periods, with the exception of standards and interpretations that became effective in the current year, and as otherwise disclosed in the notes.

This report was compiled under the supervision of Kobus van Biljon CA(SA), the chief financial officer.

Functional and presentation currency

The functional currency of the company is Euro (“EUR”), and the group has elected to present its consolidated annual financial statements in EUR, being the currency of the issued stated capital of the group.

On 13 April 2017, the company announced that it had changed its reporting and functional currency from Pound Sterling (“GBP”) to EUR, as approved by the Registrar of Companies, effective from 11 April 2017. In accordance with IFRS, the change in functional and presentation currency has been accounted for prospectively and the financial results of the group were subsequently presented in EUR.

The comparative financial information has been restated from GBP to EUR, and the following exchange rate was used:

September 2016

EUR/GBP exchange rate

Closing	0,8661
Average	0,8135

As a result of the JSE proactive monitoring process, the group reassessed the functional currencies of all its entities and made certain changes. Refer to note 28 for additional details.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

USE OF ESTIMATES AND JUDGEMENTS

The preparation of annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of IFRS that have a significant effect on the annual financial statements and estimates with a significant risk of material adjustment in the future periods are set out in note 25.

1. ACCOUNTING POLICIES

The accounting policies set out below have been applied in preparing the annual financial statements for the year ended 30 September 2018.

1.1 Basis of consolidation

Subsidiaries

The consolidated annual financial statements incorporate the annual financial statements of the company and entities controlled (directly or indirectly) by the company. The company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the elements of control.

When the company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The company considers all relevant facts and circumstances in assessing whether or not the company's voting rights in an investee are sufficient to give it power, including:

- » The size of the company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- » Potential voting rights held by the company, other vote holders or other parties;
- » Rights arising from other contractual arrangements; and
- » Any additional facts and circumstances that indicate that the company may have the current ability to

direct the relevant activities at the time that decisions need to be made.

The results of subsidiaries are included from the date control was acquired up to the date control ceased.

Investments in subsidiaries

Investments in subsidiaries of the company are reflected at cost less accumulated impairment losses, if any, in the company's separate annual financial statements.

The accounting policies of the subsidiaries are consistent with those of the company.

Business combinations

The acquisition method of accounting is used to account for business combinations by the group. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred and the equity interest issued by the group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the group recognises only non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. The excess of 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 fair value of the identifiable net assets acquired is recorded as goodwill.

Structured entities

The Greenbay Share Trust (the "Trust")

The company established a trust for the administration of staff incentivisation. Greenbay shares (incentive and geared shares) are issued to the Trust from time to time in terms of the Greenbay Share Incentive arrangement. Certain Greenbay shares issued to the Trust have been acquired by the company issuing loans to the Trust, with the underlying Greenbay shares pledged as collateral for these loans. The group's relationship with the Trust has been assessed and management has concluded the following in terms of IFRS:

- » The company established the Trust with the purpose of incentivising staff;
- » The Trust is governed by trustees that may be appointed or dismissed at the direction of the board of the company;
- » The company is the Trust's sole financier and the Trust has insufficient equity to finance its activities without the assistance of the company; and

- » The company ultimately bears the credit risk associated with the loans provided to staff.

Management has determined that the group exercises control over the Trust, and as such the results of the Trust have been consolidated.

Investments in joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are accounted for using the equity method of accounting from the date on which the investee becomes a joint venture. Under the equity method, an investment in a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the group's share of the profit or loss and other comprehensive income of the joint venture.

On acquisition of the investment in a joint venture, any excess of the cost of the investment over the group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment.

The group discontinues equity accounting from the date when the investment ceases to be a joint venture, or when the investment is classified as held-for-sale. Where necessary, appropriate adjustments are made to the annual financial statements of the joint venture to bring the accounting policies in line with those adopted by the group.

Transactions eliminated on consolidation

In preparing the consolidated annual financial statements, intragroup balances and any unrealised gains and losses arising from intragroup transactions with subsidiaries and joint ventures are eliminated to the extent of the group's interest in these entities.

1.2 Investment property

Investment property

Investment property is initially recognised and measured at cost and subsequently at fair value with any change therein recognised in profit or loss. Fair values are determined annually by external independent professional valuers with appropriate and recognised professional qualifications and recent experience in the location and category of property being valued. Valuations are done

on the open market value basis and the valuers use either the discounted cash flow method or the capitalisation of net income method or a combination of the methods. Gains or losses arising from changes in the fair values are included in profit or loss for the period in which they arise. Immediately prior to disposal of investment property, the investment property is revalued to the net sales proceeds and such revaluation is recognised in profit or loss during the period in which it occurs.

When the group redevelops an existing investment property for continued future use as investment property, the property remains classified as investment property. The investment property is not reclassified as investment property under development during the redevelopment.

Investment property is refurbished, upgraded and maintained in order to preserve and/or to improve the value. Maintenance and repairs which neither materially add value to the properties nor prolong their useful lives are charged to profit or loss.

Investment property under development

Property that is being constructed or developed for future use as investment property is classified as investment property under development until construction or development is complete, at which time it is reclassified and subsequently accounted for as investment property. To the extent that developments can be accurately fair valued, developments are measured at fair value.

Investment property under development is recognised and measured initially at cost, and includes capitalised borrowing costs.

1.3 Financial instruments

Financial instruments are recognised when the group has become party to the contractual provisions of the instrument. Financial instruments include investments in listed security investments, equity swap derivatives cash margin, derivative assets and liabilities, loans receivable, trade and other receivables, cash and cash equivalents, interest-bearing borrowings, loans payable and trade and other payables. Financial instruments are initially recognised at fair value including transaction costs, except for those measured at fair value through profit or loss, for which related transaction costs are recognised in profit or loss as part of administrative and other expenses. Derivatives are recognised initially at fair value at the date the derivative contracts are entered into. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for in profit or loss. Directly attributable transaction costs are recognised in profit or loss when incurred.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

Subsequent to initial recognition, these instruments are measured as detailed below:

Financial investments at fair value through profit or loss – Financial investments at fair value through profit or loss are those designated at fair value through profit or loss at inception, including investments in listed equity securities. These assets are measured at fair value, being the quoted closing price at the reporting date. Realised gains and losses on disposal of investments and unrealised gains and losses arising from changes in the fair value of these investments are recognised in profit or loss.

Derivative financial assets – These include the group's investments in equity swap derivatives. The fair value of derivatives is the estimated amount that the group would receive or pay to terminate the derivative at the reporting date, taking into account the current relevant market conditions.

Loans receivable and equity swap derivatives cash margin – These include loans to subsidiaries and equity swap derivatives cash margin (required as cash collateral on equity swap derivative positions), which are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables, when the recognition of interest would be immaterial.

Trade receivables – Trade receivables are measured at amortised cost using the effective interest method, less any impairment losses. Interest income is recognised by applying the effective interest rate, except for short-term receivables, when the recognition of interest would be immaterial.

Cash and cash equivalents – Cash and cash equivalents comprise cash balances and call deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Impairment of financial assets – Financial assets are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been negatively impacted. Only financial assets that are not measured at fair value on subsequent measurement are assessed for indicators of impairment.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

For financial assets measured at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate of the instrument. The carrying amount of the financial asset is directly reduced by the impairment loss for all financial assets.

All impairment losses are recognised in profit or loss. An impairment loss is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised. The carrying amount of the financial asset after the reversal of an impairment loss is limited to the amount it would be had no impairment loss been recognised.

Derecognition of financial assets – A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised where the contractual rights to receive cash flows from the asset have expired.

Interest-bearing borrowings – Interest-bearing borrowings are recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables and other financial liabilities – Trade and other payables are stated at fair value and subsequently measured at amortised cost using the effective interest method. All other financial liabilities, with the exception of derivatives, are accounted for at amortised cost using the effective interest method. Derivative financial liabilities are measured at fair value through profit or loss.

Derecognition of financial liabilities – Financial liabilities (or a portion thereof) are derecognised when the obligation specified in the contract is discharged, cancelled or expires. On derecognition, the difference between the carrying amount of the financial liability and the amount paid for it is recognised directly in profit or loss.

1.4 Stated capital and treasury shares

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

When stated capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

When engaging in capital raisings via accelerated bookbuilds, the company recognises a cash receivable from participants and a related derivative financial liability

on the date that the bookbuild allocations are confirmed. The derivative financial liability is measured at fair value through profit or loss up to the date of the related share issuance, at which point the derivative financial liability is transferred to stated capital at fair value. On the share issuance date, cash received from bookbuild participants is accounted for, with any related foreign exchange gains or losses recognised in profit or loss.

1.5 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service.

Share-based payment transactions

The group only has equity-settled share-based payment schemes. The Share Incentive plan allows certain employees to acquire ordinary shares in the company. Such equity-settled share-based payments are measured at fair value at the date of the issuance as an increase in stated capital, with the corresponding employee costs charge, amortised based on the corresponding service requirements over the vesting period, which varies from nil to five years, based on management's estimate of the shares that will vest and adjusted for the effect of non-market vesting conditions.

1.6 Revenue and related expenses

Revenue

Revenue is recognised when it can be reliably measured and it is probable that the economic benefits will flow to the entity. Revenue is recognised at the fair value of the consideration received or receivable.

Rental revenue and recovery of expenses (excluding VAT) are included in revenue. Rental revenue from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental revenue over the lease period.

Investment revenue, which primarily comprises dividend income, is recognised as revenue when the shareholder's right to receive payment is established.

Finance and interest income are recognised as revenue on a time-proportion basis using the effective interest method.

Expenses

Service costs and property operating expenses

Service costs for service contracts entered into and property operating expenses are expensed as incurred.

Letting commission and tenant installations

Letting commission and tenant installations are capitalised to investment property and amortised over the period of the lease when they are assessed to be material.

Operating lease payments

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense on a straight-line basis.

1.7 Finance income and finance costs

Finance income comprises interest receivable and is recognised as it accrues, taking into account the effective yield on the asset. Finance costs comprise interest payable on borrowings calculated using the effective interest method.

1.8 Tax

Income tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or other comprehensive income. Current tax is the expected tax payable on the taxable income for that year of assessment, using tax rates enacted or substantively enacted at the reporting date, and any adjustments to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences:

- » The initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit;
- » Goodwill that arises on initial recognition; and
- » Differences relating to investments in subsidiaries and jointly controlled entities to the extent that the group is able to control the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates expected to be applied to temporary differences when they reverse, based on tax laws enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authority on the

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

same taxable entity, or on different tax entities, but they intend to either settle current tax liabilities and assets on a net basis or realise the assets and settle the liabilities simultaneously. The deferred tax liabilities relate primarily to cumulative fair value adjustments and statutory tax amortisation allowances on investment properties.

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

1.9 Foreign currency

Foreign currency transactions

The functional currency of the company is EUR. The reporting currency of the group is EUR. Transactions denominated in currencies other than EUR are translated at the average rate of exchange during the month in which the transaction occurs. The prevailing rate of exchange on the date of a significant transaction is, however, utilised where significant fluctuations in the rate of exchange occur during the month in which the transaction occurs.

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the reporting date, with gains and losses recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated using the rates of exchange ruling at the date of the transaction.

Foreign operations

On consolidation, the assets and liabilities of foreign operations are translated to EUR at exchange rates at the reporting date. Income and expense items are translated at the average exchange rates for the period if these rates approximate the exchange rates at the date of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in equity in the foreign currency translation reserve. Such translation differences are reclassified to profit or loss in the period in which the foreign operation is disposed of.

1.10 Distributions and dividends to shareholders

Distributions and dividends to the company's shareholders are recognised as a liability in the period in which it is declared.

1.11 Operating segments

A segment is a distinguishable component of the group that is engaged in providing services (business segments) or in providing services within a particular economic environment (geographic segments), which is subject to risks and returns that are different from those of other segments. The group's operating segments are based on business segments.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("CODM"). The CODM has been identified jointly as the board and investment committee. The CODM reviews the group's internal reporting in order to assess performance. Management has determined the operating segments based on these reports.

1.12 Related parties

Related parties in the case of the group include any shareholder who is able to exert a significant influence on the operating policies of the group. Directors, their close family members and any key management personnel of the group are also considered to be related parties.

In the case of the company, related parties would also include subsidiaries, joint ventures and The Greenbay Share Trust.

1.13 Earnings per share

Basic earnings or loss per share is calculated by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares in issue during the year. Headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue during the year. Headline earnings per share is determined based on Circular 4/2018 issued by the South African Institute of Chartered Accountants.

Diluted earnings or loss per share is calculated by dividing profit or loss for the year attributable to equity holders by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options. The company has no dilutive instruments in issue.

Diluted headline earnings or loss per share is calculated by dividing headline earnings or loss by the weighted average number of shares in issue, adjusted for the potential dilutive impact of outstanding share options acquired. The company has no dilutive instruments in issue.

1.14 Distributable earnings per share

The group presents distributable earnings per share in accordance with its distribution policy.

Distributable earnings per share is calculated by dividing the distributable profit (earnings plus deferred tax, adjusted for fair value movements, capital gains/losses on disposal, foreign exchange gains/losses, impairments and any other adjustments that the board may consider necessary) for the period by the number of shares in issue which are entitled to receive distributions and dividends at the reporting date. Refer to the segmental analysis on page 76 for a reconciliation of profit or loss for the year attributable to equity holders with distributable earnings for the year.

1.15 Non-distributable reserve

Transfers of stated capital to reserves and returns of capital to shareholders are included in and deducted from non-distributable reserve respectively. All realised and unrealised gains and losses considered to be of a capital nature, as well as foreign exchange gains and losses, are transferred to non-distributable reserve respectively.

2. FINANCIAL RISK MANAGEMENT

The group has exposure to the following risks from its use of financial instruments:

- » Credit risk;
- » Liquidity risk; and
- » Market risk (including currency risk, interest rate risk and price risk).

This note presents information about the group's exposure to each of the above risks, the group's objectives, policies and processes for measuring and managing risk and the group's management of capital. Further quantitative disclosures are included throughout these annual financial statements (refer to note 24).

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The board has delegated the responsibility for developing and monitoring the group's risk management policies to the risk committee. The committee reports to the board of directors on its activities. The risk committee oversees how management monitors compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls and to monitor

risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

2.1 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, and arises principally from the group's investments in listed securities and equity swap derivatives, loans, equity swap derivatives cash margin, receivables, and cash and cash equivalents.

Investments and equity swap derivative cash margin

The group invests in listed securities by means of direct investments and by utilising equity swap derivatives, with the corresponding cash margin, with recognised financial institutions. The group limits its exposure to credit risk by investing in liquid securities and with globally recognised financial institutions and/or counterparties that are listed on a recognised stock exchange. The group has policies and procedures in place to mitigate the credit risk associated with equity swap derivatives. Counterparty credit risk is monitored and any changes thereto are analysed and policies are in place to mitigate any risks associated with increased counterparty credit risk.

Trade and other receivables and investment income receivable

Trade and other receivables relate mainly to securities sold for which the proceeds have not yet been received, property rentals receivable, gains on equity swap derivatives receivable and dividends from investments accrued by the group at the reporting date. The credit risk associated with these receivables is monitored as part of the group's greater investment and risk management strategies. The group ensures that the companies in which it invests are listed on a recognised stock exchange, are liquid and solvent and appear to be trading as a going concern for the foreseeable future. Credit risk is further limited by investing with globally recognised financial institutions with acceptable credit ratings and/or counterparties that are listed on a recognised stock exchange. Credit risk on tenants is assessed before entering into new leases or renewals. Credit risk on existing tenants is assessed by monitoring the credit ratings of significant counterparties, the trading performance of tenants in group properties, tracking rental arrears and proactively addressing areas of potential concern.

Property rental revenue is derived from retail properties situated in Portugal and Slovenia.

In monitoring customer credit risk, customers are grouped according to their credit risk characteristics,

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For the year ended 30 September 2018

including whether they are an individual or legal entity, industry, size of business and existence of previous financial difficulties.

The group establishes an allowance for credit losses that represents its estimate of incurred losses in respect of trade and other receivables and investments. The main component of this allowance is a specific loss component that relates to individually significant exposures, as assessed at each reporting date.

Greenbay Share Incentive loans

The group's exposure to credit risk is influenced by the security provided for the loan and also the characteristics of each borrower, who is an employee of the group.

The group establishes an allowance for credit losses that represents its estimate of specific losses to be incurred in the event of the borrowers' inability to meet their commitments, as adjusted for security held.

Cash and cash equivalents

The group's exposure to credit risk is limited through the use of financial institutions of good standing for investment and cash handling purposes.

2.2 Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations, comprising interest-bearing borrowings, financial liabilities and trade and other payables, as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation. In this respect, the group prepares cash flow analyses and forecasts which enable the directors to assess the level of financing required in future periods.

The board of directors agree on gearing parameters for the group and the gearing levels are consistently monitored, taking into account the fluctuations in the underlying investments. The group has consistently remained within its authorised gearing parameters.

Typically, the group ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations. The group generates a significant amount of cash from dividends received from listed security investments. Management is able to accurately budget the respective cash inflows as the dividend policies of the underlying investments are published in advance. This excludes the potential

impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters or extreme market events.

2.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The group invests in derivatives in order to manage market risks. All such transactions are carried out within the guidelines set by the risk, investment and audit committees. The investment committee, together with the risk committee, determines parameters by which investments in listed securities are made, taking into account an appropriate margin of safety regarding the collateral pool to ensure the portfolio is able to withstand volatile market movements.

Currency risk

The group is exposed to foreign currency risk on investments denominated in Australian Dollar ("AUD"), Canadian Dollar ("CAD"), Hong Kong Dollar ("HKD"), Singapore Dollar ("SGD"), Pound Sterling ("GBP") and United States Dollar ("USD"). The group mitigates a portion of the risk associated with exposure to foreign currency fluctuations by borrowing in the same currency as the underlying investment. In addition, the group hedges its exposure to currency fluctuations on distributable income through the use of currency forwards. The group does not apply hedge accounting in terms of IFRS.

Interest rate risk

The group is exposed to interest rate risk on its loans to subsidiaries and the joint venture, interest-bearing borrowings and cash and cash equivalents.

Loans to subsidiaries and the joint venture, interest-bearing borrowings and cash and cash equivalents bear interest at rates linked to the base lending rate in the jurisdiction to which they relate. The group adopts a policy of hedging at least 80% of the direct property-related borrowings' exposure to interest rate risk. This is achieved primarily by entering into interest rate caps.

Equity price risk

The group is exposed to equity price risk on its listed securities investments and equity swap derivatives. It limits its exposure to equity price risk by only investing

in liquid securities that are listed on a recognised stock exchange and where the directors are in agreement with the business strategy implemented by such companies.

Fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. 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 closing price. These instruments are included in level 1. Instruments included in level 1 comprise quoted equity investments classified as fair value through profit or loss.

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. Specific valuation techniques used to value financial instruments include:

- » Quoted market prices or dealer quotes for similar instruments; or
- » Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The nominal value less estimated credit adjustments of trade receivables and payables are assumed to approximate their fair values due to the short-term nature of these instruments. 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.

2.4 Investment property

The group's investment properties are valued internally by management at interim reporting periods and externally by reputable independent valuers at the reporting date.

External independent valuers who have appropriate, recognised professional qualifications and recent experience in the location and category of the properties

being valued, value the group's investment properties every year, excluding those properties acquired within six months of the reporting date, for which management views the purchase price as an appropriate measure of the fair value, in the absence of clear indicators to the contrary. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an orderly transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. In the absence of current prices in an active market, the valuations are prepared by considering the aggregate of the estimated cash flows expected to be received from renting out the property. A yield that reflects the specific risks inherent in the net cash flows is then applied to the net annual cash flows to arrive at the property valuation. Valuations reflect, when appropriate: the type of tenants actually in occupation or responsible for meeting lease commitments or likely to be in occupation after letting vacant space and the market's general perception of their creditworthiness; the allocation of maintenance and insurance responsibilities between the group and the lessee; and the remaining economic life of the property.

2.5 Capital management

The group considers the equity attributable to equity holders as the permanent capital of the group. The board's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board also monitors the level of distributions and dividends to shareholders. The board seeks to maintain a balance between the higher returns that may be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The board's objectives when managing capital are:

- » To safeguard the group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- » To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

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For the year ended 30 September 2018

3. INVESTMENT PROPERTY

	GROUP	
	2018 EUR	2017 EUR
Investment in property comprises:		
Investment property	293 068 812	57 498 838
Straight-lining of rental revenue adjustment	(375 100)	1 162
Investment property under development	–	13 942 548
Total investment property	292 693 712	71 442 548
Details of the investment property are as follows:		
At cost	293 125 558	70 675 369
Fair value adjustments	(56 746)	766 017
Straight-lining of rental revenue adjustment	(375 100)	1 162
Investment property at fair value	292 693 712	71 442 548
Movement in investment property is as follows:		
Carrying amount at the beginning of the year	57 500 000	56 752 186
Additions from acquisition through business combinations	234 901 000	–
Additions and costs capitalised	1 078 504	(19 365)
Fair value (loss)/gain	(846 180)	766 017
Disposals	–	–
Straight-lining of rental revenue adjustment	60 388	1 162
Investment property and adjustment	292 693 712	57 500 000
Details of investment property under development are as follows:		
Carrying amount at the beginning of the year	13 942 548	13 319 446
Additions and costs capitalised	57 264	623 102
Disposals	(13 999 812)	–
Investment property under development	–	13 942 548
Movement in investment property under development is as follows:		
Disposals	13 999 812	–
Profit on disposal	2 200 188	–
Proceeds from sale	16 200 000	–

A register of investment property is available for inspection at the registered office of the company (refer to pages 6 and 7).

The group's investment properties were externally valued by independent valuers with recognised and relevant qualifications and with recent experience in the location and category of the investment property being valued. Details are as follows:

- » Valuer of Forum Coimbra (Coimbra, Portugal): JLL Portugal. The valuers are registered with the Royal Institute of Chartered Surveyors.
- » Valuer of Forum Viseu (Viseu, Portugal): JLL Portugal. The valuers are registered with the Royal Institute of Chartered Surveyors.
- » Valuer of Planet Koper (Koper, Slovenia): CBRE d.o.o. The valuers are registered with the Royal Institute of Chartered Surveyors.

3. INVESTMENT PROPERTY continued

The valuations were done on an open-market basis and with consideration of the future earnings potential and an appropriate capitalisation rate for the properties.

The fair value of investment property determined is supported by market evidence. Other than subtracting capital expenditure to be incurred on extensions, the valuations provided by the external valuers have been recognised without adjustment.

Investment properties are categorised as level 3 in the fair value hierarchy. Refer to note 24.4 for additional details.

Investment properties have been mortgaged as security for external loans. Refer to note 11 for further details.

There are no contractual commitments to purchase, construct or develop investment property or for repairs, maintenance or enhancements at the reporting date.

4. INVESTMENTS

Listed security investments are categorised as financial assets measured at fair value through profit or loss. The fair values of the listed security investments are determined based on quoted prices in active markets.

	GROUP		COMPANY	
	2018 Total EUR	2017 Total EUR	2018 Total EUR	2017 Total EUR
Carrying amount	348 729 839	164 370 852	127 685 490	77 329 633
Decrease in fair value	(25 966 418)	(4 922 388)	(12 219 370)	(2 799 133)
Total investments	322 763 421	159 448 464	115 466 120	74 530 500
Non-current (level 1)*	312 464 289	159 448 464	115 466 120	74 530 500
Current (level 1)*	10 299 132	—	—	—
The currency profile of listed security investments and derivatives is disclosed in the segmental analysis (refer to pages 59 to 76).				
The company utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies. These derivatives have the following inherent components (refer to notes 7 and 11):				
Gross equity swap derivative exposure to listed investments	366 877 956	669 411 060	174 583 561	414 150 923
Equity swap derivative implied interest-bearing borrowings	(366 877 956)	(669 411 060)	(174 583 561)	(414 150 923)
Net equity swap derivative exposure	—	—	—	—
Gross exposure to listed equity securities	689 641 377	828 859 524	290 049 681	488 681 423

* Refer to note 24.4 for additional details.

The schedule of top 10 listed investments per gross listed exposure is provided on page 4 of this report.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

5. INVESTMENT IN AND LOANS TO SUBSIDIARIES

	Main business	Incorporated in and place of business
Subsidiaries		
Greenbay Investments 1 Limited ("Greenbay Investments 1") ^{1, 10}	Investment and intermediate holding company	Mauritius
Greenbay Investments 2 Limited ("Greenbay Investments 2") ^{1, 11}	Group finance company	Mauritius
Greenbay Investments UK Limited ("Greenbay Investments UK") ^{1, 2, 12}	Intermediate holding company	United Kingdom
Greenbay Netherlands B.V. ("Greenbay Netherlands") ^{1, 3, 9, 13}	Intermediate holding company	The Netherlands
Greenbay Investments d.o.o. ("Greenbay Investments doo") ^{1, 4, 7}	Property-owning company	Slovenia
Greenbay Tivoli d.o.o. ("Greenbay Tivoli doo") ^{1, 4}	Property-owning and development company	Slovenia
LocaViseu – Sociedade de Gestão de Imóveis, S.A. ("LocaViseu") ^{1, 4, 6}	Intermediate holding and property-operating company	Portugal
RPPSE Forum Coimbra – Sociedade Imobiliária, S.A. ("RPPSE Forum Coimbra") ^{1, 5, 6, 8}	Property-owning company	Portugal
RPPSE Forum Viseu – Sociedade Imobiliária, S.A. ("RPPSE Forum Viseu") ^{1, 5, 6, 8}	Property-owning company	Portugal
Investment in and loans to subsidiaries – non-current		
Loans to subsidiaries – current		
Interest-bearing loans to subsidiaries – current		
Non-interest-bearing loans to subsidiaries – current		

¹ 30 September financial reporting date.

² Share capital held through Greenbay Investments 1 Limited, wholly-owned subsidiary.

³ Share capital held through Greenbay Investments UK Limited, wholly-owned subsidiary.

⁴ Share capital held through Greenbay Netherlands B.V., wholly-owned subsidiary.

⁵ Share capital held through LocaViseu – Sociedade de Gestão de Imóveis, S.A., wholly-owned subsidiary.

⁶ The group acquired a 50% effective interest in the company with effect from 31 May 2017 and the company became a wholly-owned subsidiary of the group with effect from 2 August 2018.

⁷ The property-owning company pays asset management fees of 0,80% p.a. on the most recent fair value of investment properties to its shareholder.

⁸ The property-owning companies pay asset management fees of 0,65% p.a. on the most recent fair value of investment properties to Greenbay Netherlands.

⁹ The company pays asset management fees of 50% p.a. of all asset management fee income to its shareholder.

¹⁰ Greenbay Investments 1 Limited had stated capital of EUR8 250 113,41 as of 30 September 2017.

¹¹ Greenbay Investments 2 Limited had stated capital of EUR113,41 as of 30 September 2017.

¹² Greenbay Investments UK Limited had share capital of GBP100,00 as of 30 September 2017.

¹³ Greenbay Netherlands BV had share capital of EUR8 250 000 as of 30 September 2017.

The class of shares held in subsidiary companies consists only of ordinary share capital.

Amounts owing by subsidiaries are unsecured, some of which bear interest at fixed rates agreed from time-to-time and the terms of repayment are specific to individual tranches advanced:

- » Range of interest rates: 0% to 7,50% p.a.; and
- » Range of maturity dates: nil to ten years.

COMPANY

Effective interest 2018	Effective interest 2017	Stated/ share capital 2018 and 2017 EUR	Investment 2018 EUR	Loan amount 2018 EUR	Total 2018 EUR	Investment 2017 EUR	Loan amount 2017 EUR	Total 2017 EUR
100%	100%	8 250 200	8 250 200	339 310 832	347 561 032	8 250 113	263 414 083	271 664 196
100%	100%	200	200	264 514 049	264 514 249	113	205 635 576	205 635 689
100%	100%	17 200 000	–	117 027	117 027	–	19 280	19 280
100%	100%	17 200 000	–	529 435	529 435	–	–	–
100%	100%	12 507 500	–	–	–	–	–	–
100%	100%	4 007 500	–	–	–	–	–	–
100%	50%	50 000	–	–	–	–	–	–
100%	50%	50 000	–	–	–	–	–	–
100%	50%	50 000	–	–	–	–	–	–
		59 315 400	8 250 400	604 471 343	612 721 743	8 250 226	469 068 939	477 319 165
			8 250 400	588 436 306	596 686 706	8 250 226	469 068 939	477 319 165
			–	16 035 037	16 035 037	–	–	–
			–	15 388 776	15 388 776	–	–	–
			–	646 261	646 261	–	–	–
			8 250 400	604 471 343	612 721 743	8 250 226	469 068 939	477 319 165

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For the year ended 30 September 2018

6. INVESTMENT IN AND LOANS TO LOCAVISEU

Joint venture: LocaViseu – Sociedade de Gestão de Imóveis, S.A.

	GROUP	
	2018 EUR	2017 EUR
Carrying amount		
Opening balance	–	–
Cost	–	44 126 138
Share of post-acquisition reserves	–	1 078 972
Loan advanced	–	14 155 900
	–	59 361 010

On 31 May 2017, the group acquired a 50% interest in LocaViseu. The group exercised joint control over the arrangement as a result of a contractual agreement between the group and Resilient Investments B.V., its joint venture partner. Effective on 2 August 2018, the group acquired the remaining 50% interest in LocaViseu that it did not yet own, at which date LocaViseu became a wholly-owned subsidiary of the group and fully consolidated.

The loan advanced is unsecured, bears interest at three-month Euribor plus 3,06%, with a maturity date of 30 June 2020.

The carrying amount of the investment in LocaViseu represents the market value of the investment, as it is based on a recent acquisition between an independent seller and buyer(s) and there are no indicators of significant changes in fair value since the acquisition date.

Financial information of LocaViseu

	100% interest	
	2 Aug 2018 EUR	30 Sep 2017 EUR
Summarised statement of financial position*		
Non-current assets	234 901 000	226 000 000
Other current assets	2 338 167	2 061 237
Cash	12 656 080	5 559 656
Equity	81 308 641	69 948 233
Non-current liabilities	161 654 927	157 325 344
Current liabilities	6 931 679	6 347 316

	100% interest	
	For the period ended 2 Aug 2018 EUR	For the four months ended 30 Sep 2017 EUR
Summarised statement of profit or loss and other comprehensive income*		
Revenue	16 135 107	4 509 314
Profit before net finance costs	19 335 205	4 036 757
Finance costs	(3 066 326)	(1 267 373)
Profit before tax	16 268 879	2 769 384
Income tax expense	(4 077 658)	(611 438)
Profit for the period	12 191 221	2 157 946

* The information was extracted from the reviewed financial statements of LocaViseu for the four months ended 30 September 2017 and the period ended 2 August 2018, respectively.

6. INVESTMENT IN AND LOANS TO LOCAVISEU continued

	GROUP	
	2018	2017
	EUR	EUR
LocaViseu amounts included in the consolidated statement of profit or loss and other comprehensive income:		
Property rental and related revenue	10 975 650	3 269 670
Net profit	13 124 150	1 579 188
Total group amounts that would have been included in the consolidated statement of profit or loss and other comprehensive income had the respective LocaViseu acquisitions been made at the beginning of the reporting period:		
Property rental and related revenue	24 954 233	16 147 498
Net profit	14 581 625	3 208 644

LocaViseu is a company incorporated in Portugal and is the holding company of two wholly-owned subsidiaries, RPPSE Forum Coimbra – Sociedade Imobiliária, S.A. (“RPPSE Forum Coimbra”) and RPPSE Forum Viseu – Sociedade Imobiliária, S.A. (“RPPSE Forum Viseu”), respectively. RPPSE Forum Coimbra and RPPSE Forum Viseu own 100% of each of Forum Coimbra and Forum Viseu, respectively, two retail shopping centres in Portugal.

The joint venture investment in LocaViseu has been accounted for using the equity method from 31 May 2017 up to 2 August 2018, the date on which LocaViseu became a wholly-owned subsidiary of the group. Refer to note 18.3.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

7. FINANCIAL AND OTHER ASSETS

	GROUP		COMPANY	
	2018 Total EUR	2017 Total EUR	2018 Total EUR	2017 Total EUR
Financial assets				
Greenbay Share Incentive loans (refer note 8)	243 728	505 679	2 460 036	505 679
Equity swap derivatives cash margin*	55 829 855	92 134 467	48 424 416	75 028 051
– Merrill Lynch	–	–	–	–
– Bank of America	48 424 415	75 028 051	48 424 416	75 028 051
– Morgan Stanley	7 405 440	17 106 416	–	–
Fair value of currency derivatives (level 2)	235 244	303 668	42 934	57 504
Fair value of interest rate derivatives (level 2)	207 511	267 437	172 162	267 437
Total financial assets	56 516 338	93 211 251	51 099 548	75 858 671
Other assets				
Unamortised interest rate cap premiums	4 057 292	368 900	282 100	368 900
Total other assets	4 057 292	368 900	282 100	368 900
Total financial and other assets	60 573 630	93 580 151	51 381 648	76 227 571
Financial assets – non-current	56 362 124	92 907 583	51 056 614	75 801 167
Other assets – non-current	3 478 720	282 100	195 584	282 100
Total financial and other assets – non-current	59 840 844	93 189 683	51 252 198	76 083 267
Financial assets – current	154 214	303 668	42 934	57 504
Other assets – current	578 572	86 800	86 516	86 800
Total financial and other assets – current	732 786	390 468	129 450	144 304
Financial assets measured at fair value through profit or loss (refer to note 24.4)				
Financial assets – non-current (level 2)	288 541	267 437	172 162	267 437
Financial assets – current (level 2)	154 214	303 668	42 934	57 504
	442 755	571 105	215 096	324 941

* The company utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies, for which an equity swap derivatives cash margin (cash or other collateral) of between 12% and 45% (2017 and 2016: 25% and 37,5%) of the gross exposure is required. The margin requirement is specific to each underlying security. Also refer to notes 4 and 24.3.2.

8. GREENBAY SHARE INCENTIVE

The movements in the Greenbay Share Incentive ("Share Incentive") balances were approved by the board during the reporting period. The purpose of the scheme is to provide employees with an incentive linked to the growth of the company's long-term value as measured by the share price. This form of long-term incentivisation is designed to align employees' interests with that of the company, in order to contribute to the achievement of the company's objectives and enhance shareholder value. Employees are allocated short-term and long-term incentive shares, which vest immediately and up to five years, respectively. Employees are also afforded the opportunity to obtain five-year loan facilities to purchase Greenbay shares, which are pledged as security for the aforesaid loans. Distributions received on pledged shares are applied to settle the interest payable on the loans, with any excess applied to reduce the outstanding loan balance. During 2018, the Share Incentive loans earned variable interest at the group's weighted average cost of interest-bearing borrowings. During 2017, the Share Incentive loans earned interest at a fixed rate of 5% p.a.

	GROUP AND COMPANY		GROUP	COMPANY
	2018 % of issued shares ¹	2018 Number of shares	2018 Loan balance EUR	2018 Loan balance EUR
Gross loan balance ²			2 493 310	4 709 618
Loan impairments			(2 249 582)	(2 249 582)
Shares issued to directors and employees in terms of the Share Incentive and carrying value of related loans	0,45	40 595 137	243 728	2 460 036
Expense recognised in profit or loss related to Share Incentive equity-settled share-based payments			1 135 769	1 135 769

¹ % of issued shares based on the total issued shares, without adjustment for the treasury shares held at the reporting date.

² 36 414 535 of the Share Incentive shares are held by The Greenbay Share Trust and are recognised as treasury shares in the consolidated annual financial statements. The corresponding loans have been eliminated on consolidation.

	GROUP AND COMPANY		
	2017 % of issued shares	2017 Number of shares	2017 Loan balance EUR
Shares issued to directors and employees in terms of the Share Incentive	0,09	8 361 204	505 679

The participants in the Share Incentive carry the risk associated with the shares issued to them.

Group and company

The Share Incentive loans bore interest at an average rate of 1,84% for the year ended 30 September 2018 (2017: 5%). The loans are secured by 40,595 million (2017: 8,361 million) shares in Greenbay with a fair value of EUR3,248 million (2017: EUR1,242 million).

The reporting date fair value of the security was based on the company's closing share price.

At the reporting date, the amounts outstanding of several individual loans exceeded the amounts of the related shares' security value. At 30 September 2017, the value of security held for each individual loan exceeded the amount of the related loan. The loans are repayable on the fifth anniversary of the loans being granted. 36 414 535 shares were issued to The Greenbay Share Trust in terms of the Share Incentive on 14 December 2017.

No shares were issued to directors or employees in terms of the Greenbay Management Incentive Scheme during the current or prior period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

8. GREENBAY SHARE INCENTIVE continued

Details of the shares issued to The Greenbay Share Trust on behalf of directors in terms of the Greenbay Share Incentive as at 30 September 2018 are as follows:

	Number of shares issued	Date of issue	Issue price – EUR per share (excluding costs)	GROUP	
				2018 Employee asset as recorded in financials* EUR	2017 Employee asset as recorded in financials EUR
Stephen Delport	9 593 765	14 Dec 17	0,15595	1 185 884	–
Kobus van Biljon	4 180 602	8 Jun 16	0,06620	243 728	252 839
Kobus van Biljon	1 023 335	14 Dec 17	0,15595	122 890	–
Jan Wandrag	647 579	14 Dec 17	0,15595	80 047	–
	15 445 281			1 632 549	252 839

* Gross loan value (excluding any impairment) at the reporting date.

9. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Trade and other receivables include the following:				
Receivable for securities sold	7 318 306	–	581 777	–
Trade receivables	2 598 074	80 890	–	–
Equity swap derivatives settlement receivable	2 416 999	2 699 297	1 046 545	1 696 133
Other receivables	307 035	272 469	795	795
Share Incentive Loans – outstanding settlement for shares sold received after reporting date	279 006	–	279 006	–
Prepayments	110 016	464 420	–	–
Intercompany dividend receivable	–	–	–	5 000 000
Trade and other receivables	13 029 436	3 517 076	1 908 123	6 696 928

The maximum exposure to credit risk at the reporting date pertaining to these receivables is the carrying amount of the receivables. The company does not hold collateral as security.

10. STATED CAPITAL

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Authorised				
18 386 433 004 (2017: 15 721 669 363) ordinary shares of no par value				
Issued				
9 488 106 526 (2017: 9 322 176 525) ordinary shares of no par value at an average of approximately EUR0,063 (2017: EUR0,105) per share*	600 703 936	975 367 686	600 703 936	975 367 686

* Transaction costs recognised as a deduction from equity amounted to EUR0,02 million (2017: EUR1,43 million).

10. STATED CAPITAL continued**10.1 Transfers from stated capital to non-distributable reserve and repayments of capital**

- » Shareholders authorised the transfer of EUR400 million from stated capital to non-distributable reserve at a general meeting of the company held on 2 August 2018.
- » On 21 September 2018, the company's board authorised a return of capital of EUR300 million from non-distributable reserve, payable to shareholders on 8 October 2018.

Subsequent events (refer to note 22)

- » Shareholders authorised the transfer of EUR450 million from stated capital to non-distributable reserve at a general meeting of the company held on 26 November 2018.
- » On 27 November 2018, the company's board authorised a return of capital of EUR300 million from non-distributable reserve, payable to shareholders on 10 December 2018.

10.2 Reconciliation of movement in issued shares during the year

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Balance at the beginning of the year	9 322 176 525	4 920 833 333	9 322 176 525	4 920 833 333
Shares issued by way of scrip distribution:	129 515 466	172 575 922	129 515 466	172 575 922
6 December 2016	–	56 962 424	–	56 962 424
14 June 2017	–	115 613 498	–	115 613 498
20 December 2017	129 515 466	–	129 515 466	–
Shares issued by way of bookbuild:	–	4 228 767 270	–	4 228 767 270
27 March 2017	–	1 324 503 311	–	1 324 503 311
12 June 2017	–	620 000 000	–	620 000 000
22 August 2017	–	2 284 263 959	–	2 284 263 959
Incentive shares issued to the Greenbay Share Trust on 14 December 2017 ¹	–	–	36 414 535	–
Acquired by Greenbay Investments 1 Limited during the year ²	(332 303 187)	–	–	–
	9 119 388 804	9 322 176 525	9 488 106 526	9 322 176 525

Treasury shares at 30 September 2018:

¹ The group held 36 414 535 treasury shares in The Greenbay Share Trust.² The group held 332 303 187 treasury shares in Greenbay Investments 1 Limited. The treasury shares were acquired between 12 June 2018 and 28 September 2018, excluding regulatory closed periods.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

11. INTEREST-BEARING BORROWINGS

The group's interest-bearing borrowings comprise short-term and long-term interest-bearing borrowings and facilities.

	GROUP	
	2018 %	2017 %
The borrowing facilities, together with shareholder stated capital, are used to fund the company's investment activities.		
The company's investment mandate allows the company to have borrowings of up to 45% of the total asset value ("loan-to-value ratio").		
Loan-to-value ratio*	8,3	6,1

* The loan-to-value ratio is calculated by dividing total interest-bearing borrowings, adjusted for cash and cash equivalents and equity swap derivatives cash margin, by the total of investment property, listed investments (including the gross exposure to equity swap derivatives) and loans advanced.

The group's exposure to interest rate, foreign currency and liquidity risk is discussed in note 24.

	GROUP			
	2018 Nominal interest rate	2018 Maturity	2018 Fair value ³ EUR	2018 Carrying amount EUR
Interest-bearing borrowings				
Forums Coimbra and Viseu – term loan	Fixed 2,40% ¹	Jun 2022	101 511 765	101 511 765
Planet Koper – term loan	Euribor plus 2,75% ²	Dec 2026	24 810 348	24 810 348
Current portion included in current liabilities			(1 443 902)	(1 443 902)
			124 878 211	124 878 211

	GROUP			
	2017 Nominal interest rate	2017 Maturity	2017 Fair value ³ EUR	2017 Carrying amount EUR
Interest-bearing borrowings				
Planet Koper – term loan	Euribor plus 2,75% ²	Dec 2026	26 089 853	26 089 853
Current portion included in current liabilities			(1 374 996)	(1 374 996)
			24 714 857	24 714 857

¹ The fixed interest rate is subject to a 4% stamp duty on interest, i.e. the nominal interest rate payable is 2,50% p.a. (including stamp duties).

² The Euribor floating interest rate is subject to a minimum of 0%, i.e. the minimum interest rate payable is 2,75% p.a.

³ The fair value of the interest-bearing borrowings approximates the carrying value, as the market conditions (including interest rates and collateral requirements) remain substantially similar to those at the time that the loans were obtained.

11. INTEREST-BEARING BORROWINGS continued

Interest-bearing borrowings are secured by the following:

	GROUP	
	2018 Investment property ¹ EUR	2017 Investment property ¹ EUR
Security		
Investment property security for interest-bearing borrowings – current and long term ²	234 945 000	–
Investment property security for interest-bearing borrowings – current and long term ³	57 748 712	57 500 000
	292 693 712	57 500 000

¹ Refer to note 3 for additional details.² **Forums Coimbra and Viseu – Syndicate led by ING Bank Sucursal em Portugal.**

The group contracted a secured loan facility from ING Bank for Forums Coimbra and Viseu in the amounts of EUR85,5 million and EUR17,2 million, respectively. The facilities mature in June 2022 and are repayable in full at maturity.

Security: First ranking mortgages over the properties; pledges of credit rights and bank accounts; assignments of receivables; pledge of shares in RPPSE Forum Coimbra and RPPSE Forum Viseu.

Covenants: Loan-to-value ratio of maximum 60%; interest cover ratio of minimum 2,5; minimum combined net operating income of EUR9,8 million p.a. Forums Coimbra and Viseu complied with all covenants during 2017 and 2018.

³ **Planet Koper – NLB Bank**

The group contracted a secured loan facility from Nova Ljubljanska Banka d.d. for Planet Koper in the amount of EUR27,5 million, which matures in December 2026 and is repayable in monthly instalments with a final payment of 50%.

Security: A first ranking mortgage over the property; general security over the rental income of Planet Koper; suretyship by Greenbay Properties Ltd; pledge of shares in Greenbay Investments d.o.o.

Covenants: Loan-to-value ratio of maximum 50%; debt service cover ratio of minimum 1,8; equity ratio of at least 0,5; interest cover ratio of minimum 1,4. Greenbay Investments d.o.o. complied with all covenants during 2017 and 2018.

Implied interest-bearing borrowings on equity swap derivatives

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
The company utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies. These equity swap derivatives have the following inherent components:				
Gross equity swap derivatives exposure to listed investments	366 877 956	669 411 060	174 583 561	414 150 923
Implied interest-bearing borrowings on equity swap derivatives	(366 877 956)	(669 411 060)	(174 583 561)	(414 150 923)
Net equity swap derivatives exposure	–	–	–	–
Finance costs on the implied interest-bearing borrowings on equity swap derivatives (included in fair value gains and losses on investments in profit or loss)	10 751 096	6 367 353	6 383 346	5 333 431
Other finance costs	2 539 525	1 151 492	441 141	204 642
Total finance costs for the year	13 290 621	7 518 845	6 824 487	5 538 073

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

12. DEFERRED TAX

	GROUP	
	2018 EUR	2017 EUR
The deferred tax liability comprises the following:		
Investment property cumulative statutory tax allowances	11 968 664	216 079
Cumulative fair value adjustments of investment properties	20 090 949	241 578
Assessed tax losses	(187 541)	–
Other	(242 055)	(27 800)
Closing balance at the end of the year	31 630 017	429 857
Balance at the beginning of the year	429 857	–
Recognised in profit or loss during the year	(52 276)	429 857
Acquired in a business combination (refer to note 18.3)	31 252 436	–
Closing balance at the end of the year	31 630 017	429 857

13. FINANCIAL LIABILITIES

	GROUP	
	2018 EUR	2017 EUR
Fair value of currency derivatives (level 2)	769 783	–
Fair value of interest rate derivatives (level 2)	240 937	–
Other	115 305	–
Total financial liabilities	1 126 025	–
Financial liabilities – non-current	535 025	–
Financial liabilities – current	591 000	–
Total financial liabilities	1 126 025	–
Financial liabilities measured at fair value through profit or loss:		
Financial liabilities – non-current (level 2)*	419 720	–
Financial liabilities – current (level 2)*	591 000	–
	1 010 720	–

* Refer to note 24.4 for additional details.

14. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Trade and other payables include the following:				
Return of capital payable to shareholders (also refer to notes 22 and 24.2)	288 341 699	–	300 000 000	–
Mark-to-market settlement of equity swap derivatives*	13 495 520	2 309 225	5 634 173	2 389 363
Trade payables	6 837 227	6 240 179	628 134	1 870 881
Payable for securities purchased	5 572 156	5 285 571	–	1 734 630
Accrued expenses	1 247 584	579 395	–	397 643
VAT payable	513 680	91 558	–	–
Tenant prepayments	381 507	146 662	–	–
Amounts received in advance	–	17 821	–	–
Total trade and other payables	316 389 373	14 670 411	306 262 307	6 392 517

* The mark-to-market gain/(loss) on the equity swap derivatives is reset periodically and requires net settlement with the counterparty.

15. INVESTMENT REVENUE

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Investment revenue includes the following:				
Dividend income on listed equity investments	17 597 647	255 367	6 391 362	129 960
Derivative premium income	3 510 557	2 406 029	–	–
Interest income on equity swap derivatives cash margin	212 898	1 007 042	111 938	1 007 042
Total investment revenue	21 321 102	3 668 438	6 503 300	1 137 002

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

16. PROFIT/(LOSS) BEFORE TAX

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Profit/(loss) before tax includes:				
Auditor's remuneration*				
– audit fee	(56 424)	(14 826)	(46 015)	(14 826)
– other assurance fees	(12 495)	–	(12 495)	–
Directors' remuneration				
– services as director (non-executive directors)	(96 000)	(22 980)	(96 000)	(22 980)
– other services (executive directors)	(822 985)	(450 296)	(627 317)	(407 492)
Employee benefits (excluding executive director remuneration)	(1 978 671)	(145 915)	(975 231)	(30 824)
Travel and accommodation	(101 110)	(257 462)	(39 729)	(257 462)

* No non-assurance fees were incurred with respect to the company's auditor for 2018 or 2017.

16.1 Non-executive directors' remuneration

For additional details refer to the non-executive directors' remuneration details, included in the remuneration report on pages 43 and 44.

	GROUP AND COMPANY	
	2018 EUR	2017 EUR
Non-executive director		
Karen Bodenstein	22 000	5 792
Teddy Lo Seen Chong ¹	–	–
Mark Olivier	25 000	5 729
Ronnie Porter ²	–	5 030
Barry Stuhler ³	25 000	699
Terry Warren	24 000	5 729
	96 000	22 979

¹ Teddy Lo Seen Chong's remuneration is incorporated with the fees paid by the company to Intercontinental Trust Ltd, the company's company secretary.

² Ronnie Porter resigned from the board and all relevant committees on 16 August 2017.

³ Barry Stuhler was appointed to the board on 16 August 2017.

16. PROFIT/(LOSS) BEFORE TAX continued**16.2 Executive directors' remuneration**

For additional details refer to the executive directors' remuneration details, included in the remuneration report on pages 38 to 42.

GROUP						
	Salary 2018 EUR	Bonus 2018 EUR	Share Incentive 2018 EUR	Salary 2017 EUR	Bonus 2017 EUR	Share Incentive 2017 EUR
Executive director						
Stephen Delpont	203 281	–	299 230	112 952	94 688	–
Paul May ¹	–	–	–	70 825	–	–
Kobus van Biljon ²	163 750	–	31 918	8 429	34 375	–
Jan Wandrag	104 608	–	20 198	103 635	25 392	–
	471 639	–	351 346	295 841	154 455	–

COMPANY						
	Salary 2018 EUR	Bonus 2018 EUR	Share Incentive 2018 EUR	Salary 2017 EUR	Bonus 2017 EUR	Share Incentive 2017 EUR
Executive director						
Stephen Delpont	203 281	–	299 230	112 952	94 688	–
Paul May ¹	–	–	–	70 825	–	–
Kobus van Biljon ²	–	–	–	–	–	–
Jan Wandrag	104 608	–	20 198	103 635	25 392	–
	307 889	–	319 428	287 412	120 080	–

¹ Paul May resigned from the board on 16 August 2017. His remuneration was included only up to the date of his resignation from the board.

² Kobus van Biljon was appointed to the board on 16 August 2017. His remuneration was included from the date he was appointed to the board.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

17. INCOME TAX

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Current tax	(1 171 368)	(984 572)	(871 169)	(770 666)
Deferred tax (refer to note 12)	52 276	(429 857)	–	–
Income tax expense in profit or loss	(1 119 092)	(1 414 429)	(871 169)	(770 666)

Reconciliation of tax rate

The tax on the profit/(loss) before tax differs from the theoretical amount that would arise using the statutory rate of the company as follows:

	GROUP		COMPANY	
	2018 %	2017 %	2018 %	2017 %
Standard tax rate	15,00	15,00	15,00	15,00
Foreign tax credit*	(12,00)	(12,00)	(12,00)	(12,00)
Difference in foreign tax rates	0,44	(3,18)	–	–
Underprovision prior year	0,21	(0,32)	0,34	(0,46)
Permanent differences:				
Fair value gain/(loss) on investments and currency, interest rate and other derivatives	0,17	(2,90)	(0,04)	(5,07)
Other	(1,20)	(1,46)	(0,10)	(1,37)
Effective tax rate	2,62	(4,86)	3,20	(3,90)

* The company is subject to 15% income tax in Mauritius according to the provisions of the Income Tax Act 1995, as amended.

As the company holds a Category One Global Business Licence, the Income Tax (Foreign Tax Credit) Regulations 1996 provides for the off-setting of any underlying tax, withholding tax, or tax sparing credit by the company against the 15% tax or a deemed 80% foreign tax credit on the company's foreign source income where written evidence of foreign tax charged is not presented to the tax authorities in Mauritius. Gains on sale of securities are exempted from tax in Mauritius.

18. NOTES TO THE STATEMENTS OF CASH FLOWS**18.1 Cash generated from operations**

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Profit/(loss) before tax	42 736 180	(29 073 827)	27 238 974	(19 749 136)
Adjusted for:				
Finance income	(549 841)	(4 297 231)	(570 287)	(4 124 589)
Interest income from group companies	–	–	(1 426 334)	(7 417 008)
Fair value loss on investments	4 434 523	4 434 523	8 401 786	2 057 375
Fair value gain on investment property (excluding straight-lining of rental revenue adjustment)	(1 414 396)	(764 855)	–	–
Fair value loss on currency, interest rate and other derivatives	1 139 070	22 514 662	109 845	22 760 826
Impairment of Greenbay Share Incentive loans	2 249 582	–	2 249 582	–
Foreign exchange (gain)/loss on cash and cash equivalents	(13 123 010)	15 418 146	(11 266 962)	12 749 713
Share of profit from joint venture	(7 028 539)	(1 579 188)	–	–
Amortisation of premium on interest rate derivatives	361 489	65 100	86 800	65 100
Finance costs	2 539 525	1 151 492	441 141	204 642
	31 344 583	7 868 822	25 264 545	6 546 923
Changes in working capital:				
(Increase)/decrease in trade and other receivables	(7 174 193)	4 017 274	4 788 805	(2 161 222)
Increase/(decrease) in trade and other payables	6 006 270	12 964 094	(130 210)	5 970 210
Cash generated from operations	30 176 660	24 850 190	29 923 140	10 355 911

18.2 Income tax paid

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Income tax payable at the beginning of the year	659 823	131 977	659 823	128 461
Recognised in profit or loss during the year	1 171 368	984 572	871 169	770 666
Income tax payable acquired in business combination (refer to note 18.3)	556 754	–	–	–
Income tax payable at the end of the year	(973 235)	(659 823)	(353 094)	(659 823)
Income tax paid	1 414 710	456 726	1 177 898	239 304

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

18. NOTES TO THE STATEMENT OF CASH FLOWS continued

18.3 Acquisition of LocaViseu

On 31 May 2017, the group acquired a 50% interest in LocaViseu. The group exercised joint control over the arrangement as a result of a contractual agreement between the group and Resilient Investments B.V., its joint venture partner. On 2 August 2018, the group acquired the remaining 50% interest in LocaViseu, at which date LocaViseu became a wholly-owned subsidiary of the group and fully consolidated.

	GROUP	
	2018 EUR	2017 EUR
Investment property	(234 901 000)	(113 000 000)
Trade and other receivables	(2 338 167)	(1 074 320)
Cash	(12 656 079)	(2 779 828)
Goodwill*	(24 220 132)	(10 230 994)
Interest-bearing borrowings	101 670 525	50 588 491
Deferred tax	31 252 437	13 918 281
Trade and other payables	6 705 332	3 217 360
	(134 487 084)	(59 361 010)
Post-acquisition reserves	7 629 170	1 579 188
Payment for original purchase	59 151 010	–
Total purchase price for the remaining 50% of shares and loans	(67 706 904)	(57 781 822)
Estimated remaining purchase price payable as at the reporting date	1 332 839	–
Cash paid to obtain control	(66 374 065)	(57 781 822)
Plus: Cash acquired	12 656 079	–
Loans advanced	–	13 655 684
Cash paid to obtain control, net of cash acquired	(53 717 986)	
Cash flow effect of investment in joint venture		(44 126 138)

* The goodwill relates to the deferred tax liability assumed on acquisition. Typically, these transactions entail the disposal of companies instead of underlying properties and it is management's view that the deferred tax in the LocaViseu group will not become payable. As such, the goodwill balance was assessed for impairment as required by IFRS and no impairment was required as at the reporting date.

19. CONTINGENT LIABILITIES

There were no contingent liabilities in the current or prior periods.

20. EARNINGS/(LOSS) AND DILUTED EARNINGS/(LOSS) PER SHARE

The calculation of basic earnings/(loss) per share for the current and prior period is based on:

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Profit/(loss) for the year attributable to equity holders of the company	41 617 088	(30 488 256)	26 367 805	(20 519 802)
Weighted average ordinary shares in issue during the year	9 413 870 356	6 123 109 544	9 452 336 902	6 123 109 544

The company has no dilutionary instruments in issue.

The weighted average number of shares for basic and diluted earnings per share purposes is presented below:

		GROUP		
2018	Event	Number of shares	% of year	Weighted average
1 October 2017	Opening balance	9 322 176 525	100	9 322 176 525
20 December 2017	Scrip distribution	129 515 466	78	101 128 515
Various dates	Share repurchases ¹	(332 303 187)	3	(9 434 684)
30 September 2018	Reporting date	9 119 388 804		9 413 870 356

		COMPANY		
2018	Event	Number of shares	% of year	Weighted average
1 October 2017	Opening balance	9 322 176 525	100	9 322 176 525
14 December 2017	Share Incentive ²	36 414 535	80	29 031 862
20 December 2017	Scrip distribution	129 515 466	78	101 128 515
30 September 2018	Reporting date	9 488 106 526		9 452 336 902

		GROUP AND COMPANY		
2017	Event	Number of shares	% of year	Weighted average
1 October 2016	Opening balance	4 920 833 333	100	4 920 833 333
6 December 2016	Scrip distribution	56 962 424	82	46 662 369
27 March 2017	Bookbuild	1 324 503 311	52	682 209 925
12 June 2017	Bookbuild	620 000 000	30	188 547 945
14 June 2017	Scrip distribution	115 613 498	30	34 525 675
22 August 2017	Bookbuild	2 284 263 959	11	250 330 297
30 September 2017	Reporting date	9 322 176 525		6 123 109 544

Treasury shares at 30 September 2018:

¹ The group held 332 303 187 treasury shares in Greenbay Investments 1 Limited. The treasury shares were acquired between 12 June 2018 and 28 September 2018, excluding regulatory closed periods. The average share repurchase price paid was EUR0,08 per share.

² The group held 36 414 535 treasury shares in The Greenbay Share Trust, which is consolidated as a result of deemed control in terms of IFRS.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

21. HEADLINE EARNINGS/(LOSS) AND DILUTED HEADLINE EARNINGS/(LOSS) PER SHARE

	GROUP			
	2018 Gross EUR	2018 Net* EUR	2017 Gross EUR	2017 Net* EUR
Basic and diluted earnings/(loss) per share (EUR cents)		0,44		(0,50)
Reconciliation of profit/(loss) for the year to headline earnings/(loss)				
Basic earnings – profit/(loss) for the year attributable to equity holders		41 617 088		(30 488 256)
Adjusted for:				
Fair value gain on investment property (also included in income from joint venture)	(5 883 179)	(4 472 126)	(764 855)	(619 312)
Impairment of Greenbay Share Incentive loans	2 249 582	2 182 095	–	–
Headline earnings/(loss)		39 327 057		(31 107 568)
Weighted average shares in issue during the year		9 413 870 356		6 123 109 544
Headline earnings/(loss) and diluted headline earnings/(loss) per share (EUR cents)		0,42		(0,51)
	COMPANY			
	2018 Gross EUR	2018 Net* EUR	2017 Gross EUR	2017 Net* EUR
Basic and diluted earnings/(loss) per share (EUR cents)		0,28		(0,34)
Reconciliation of profit/(loss) for the year to headline earnings/(loss)				
Basic earnings – profit/(loss) for the year attributable to equity holders		26 367 805		(20 519 802)
Adjusted for:				
Impairment of Greenbay Share Incentive loans	2 249 582	2 182 095	–	–
Headline earnings/(loss)		28 549 900		(20 519 802)
Weighted average shares in issue during the year		9 452 336 902		6 123 109 544
Headline earnings/(loss) and diluted headline earnings/(loss) per share (EUR cents)		0,30		(0,34)

¹ Net of income tax effect.

Greenbay has no dilutionary instruments in issue.

22. SUBSEQUENT EVENTS

The directors note the following subsequent events:

- » On 27 November 2018, the Greenbay board announced the return of an additional EUR300 million of capital to shareholders, payable on 10 December 2018;
- » The company's constitution has been amended (refer to <https://www.lighthousecapital.mu/corporate-governance/> for a copy of the updated constitution);
- » The company revised its strategy following shareholder approval;
- » The company's name changed to Lighthouse Capital Limited on 4 December 2018; and
- » The company's shares will be consolidated on a 1 for 20 basis, effective from 18 December 2018.

Company liquidity, solvency and going concern

The company declared the following returns of capital to its shareholders:

- » On 21 September 2018, the company declared a EUR300 million return of capital, which was paid to its shareholders on 8 October 2018; and
- » On 27 November 2018, the company declared an additional EUR300 million return of capital, payable to its shareholders on 10 December 2018.

As of the reporting date, the first return of capital was included in the company's trade and other payables (refer to note 14 for additional details).

The company funded the returns of capital from internal resources, i.e. a combination of utilising existing cash resources, sales of listed investments and receipts from repayments of loans to subsidiaries. The relevant subsidiaries repaid the aforesaid loans to the company from internal resources, i.e. existing cash resources and sales of listed investments.

The directors have assessed that there is no reason to believe that the group and the company businesses will not be going concerns in the year ahead.

23. OPERATING LEASE RENTAL REVENUE

	GROUP	
	2018 EUR	2017 EUR
Contractual rental revenue from tenants can be analysed as follows: ^{1, 2}		
Within one year	17 405 507	3 904 050
Within two to five years	47 381 645	7 801 475
More than five years	30 048 461	1 788 318
	94 835 613	13 493 843

¹ Contractual rental revenue from tenants excludes cost recovery contributions.

² The group is party to numerous leasing contracts as the lessor of property. All leases are operating leases, which are those leases where the group retains a significant portion of the risks and rewards of ownership.

The group is party to operating leasing arrangements as the lessor of retail properties to various tenants. Typical lease periods vary between three and five years.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

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24. FINANCIAL INSTRUMENTS

24.1 Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Loans to subsidiaries	–	–	604 471 343	469 068 939
Loan to joint venture	–	14 155 900	–	–
Share Incentive loans	243 728	505 679	2 460 036	505 679
Financial assets:				
Equity swap derivatives cash margin	55 829 855	92 134 467	48 424 416	75 028 051
Fair value of currency derivatives	235 244	303 668	42 934	57 504
Fair value of interest rate derivatives	207 511	267 437	172 162	267 437
Trade and other receivables (excluding non-financial assets):				
Receivable for securities sold	7 318 306	–	581 777	–
Trade receivables	2 598 074	80 890	–	–
Equity swap derivatives receivable	2 416 999	2 699 297	1 046 545	1 696 133
Share Incentive loans – outstanding settlement for shares sold received after reporting date	279 006	–	279 006	–
Prepayments	110 016	464 420	–	–
Intercompany dividend	–	–	–	5 000 000
Cash and cash equivalents	355 610 318	548 279 585	130 969 262	275 779 140
	424 849 057	658 891 343	788 447 481	827 402 883
The maximum exposure to credit risk for loans at the reporting date was:				
Share Incentive loans ^{1,2}	243 728	505 679	2 460 036	505 679
Shares pledged as security	(243 728)	(1 242 370)	(2 460 036)	(1 242 370)
Net exposure	–	–	–	–
Loans to joint venture	–	³	–	–
Loans to subsidiaries	–	–	⁴	⁴
Net exposure	–	–	–	–

¹ None of the borrowers to whom loans were granted were in breach of their obligations.

² No additional impairment allowance is necessary in respect of the Share Incentive loans as the fair value of the security provided approximates the carrying value of the loans.

³ The exposure on the loan to the joint venture is indirectly secured as a result of the net asset value of the underlying investment approximating the investment carrying value.

⁴ The exposure on the loans to subsidiaries is indirectly secured as a result of the net asset value of underlying subsidiaries exceeding the carrying value of the related investments.

The ageing of all receivables at the reporting date was less than 90 days.

The group determined that no additional impairment allowance is necessary in respect of trade receivables as a comprehensive analysis of outstanding amounts is performed on a regular basis and impairment losses are accounted for timeously. The group expects that, where trade receivables pertain to investment income receivable, the respective companies to which these amounts relate are liquid and solvent and will be able to pay the distribution declared on the prescribed payment date.

There are no significant concentrations of credit risk.

24. FINANCIAL INSTRUMENTS continued**24.1 Credit risk** continued

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Trade and other receivables (excluding non-financial assets)				
Not past due	12 383 801	3 194 964	1 907 328	6 696 133
Past due not impaired ^{1, 2}	338 600	49 643	–	–
	12 722 401	3 244 607	1 907 328	6 696 133

¹ No additional impairment allowance is necessary in respect of the trade and other receivables that are past due, but not impaired.

² Impairments past due, but not impaired are less than 90 days overdue.

24.2 Liquidity risk

The following are the contractual maturities of financial liabilities, including interest payments:

	Carrying value EUR	Contractual outflows EUR	1 – 12 months EUR	2 – 5 years EUR	>5 years EUR
GROUP					
2018					
Interest-bearing borrowings	126 322 113	141 767 987	4 626 820	117 615 764	19 525 403
Financial liabilities	1 126 025	1 126 025	591 000	535 025	–
Trade and other payables	316 389 373	316 389 373	316 389 373	–	–
2017					
Interest-bearing borrowings	26 089 853	31 467 263	2 082 668	7 960 742	21 423 853
Trade and other payables	14 670 411	14 670 411	14 670 411	–	–
COMPANY					
2018					
Trade and other payables	306 262 307	306 262 307	306 262 307	–	–
2017					
Trade and other payables	6 392 517	6 392 517	6 392 517	–	–

The treasury function is rigorously managed to ensure that cash resources are adequate to meet liquidity and funding requirements.

The returns of capital will be funded primarily by sales of listed securities investments and available cash resources (refer to notes 14 and 22).

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24. FINANCIAL INSTRUMENTS continued

24.2 Liquidity risk continued

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Permitted borrowings				
Total gross qualifying assets (including implied assets on equity swap derivatives)	982 335 089	900 302 072	290 049 681	488 681 423
45% (2017: 45%) borrowing limit of total gross qualifying assets	442 050 790	405 135 932	130 522 356	219 906 640
Total gross interest-bearing borrowings (including implied borrowings on equity swap derivatives cash margin)	(81 759 896)	(55 086 861)	4 810 117	(63 343 732)
Unutilised borrowing capacity	360 290 894	350 049 071	135 332 473	156 562 908

24.3 Market risk

24.3.1 Interest rate risk

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Interest-bearing instruments comprise the following variable rate instruments:				
Greenbay Share Incentive loans	243 728	–	2 460 036	–
Cash and cash equivalents	355 610 318	548 279 585	130 969 262	275 779 140
Equity swap derivatives cash margin	55 829 855	92 134 467	48 424 416	75 028 051
Loan to joint venture	–	14 155 900	–	–
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(391 688 304)	(695 500 913)	(174 583 561)	(414 150 923)
Net variable rate interest-bearing instruments	19 995 597	(40 930 961)	7 270 153	(63 343 732)

24. FINANCIAL INSTRUMENTS continued**24.3 Market risk** continued**24.3.1 Interest rate risk** continued

The exposure of liabilities and borrowings to contractual repricing dates of interest rates are as follows:

	1 – 12 months EUR	2 – 5 years EUR	>5 years EUR	Total EUR
GROUP				
2018				
Interest-bearing borrowings	24 810 348	–	–	24 810 348
Implied interest-bearing borrowings on equity swap derivatives	366 877 956	–	–	366 877 956
Total liabilities and borrowings	391 688 304	–	–	391 688 304
2017				
Interest-bearing borrowings	26 089 853	–	–	26 089 853
Implied interest-bearing borrowings on equity swap derivatives	669 411 060	–	–	669 411 060
Total liabilities and borrowings	695 500 913	–	–	695 500 913
COMPANY				
2018				
Implied interest-bearing borrowings on equity swap derivatives	174 583 561	–	–	174 583 561
Total liabilities and borrowings	174 583 561	–	–	174 583 561
2017				
Implied interest-bearing borrowings on equity swap derivatives	414 150 923	–	–	414 150 923
Total liabilities and borrowings	414 150 923	–	–	414 150 923

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

24. FINANCIAL INSTRUMENTS continued

24.3 Market risk continued

24.3.1 Interest rate risk continued

Cash flow sensitivity analysis for variable rate instruments

Interest

A change of 50 basis points in interest rates at the reporting date would have increased/(decreased) the profit or loss before tax for the year by the amounts shown below.

This analysis assumes that all other variables remain constant.

	Profit or (loss) before income tax	
	Increase EUR	Decrease EUR
GROUP		
2018		
Greenbay Share Incentive loans	1 219	(1 219)
Cash and cash equivalents	1 778 052	(1 778 052)
Equity swap derivatives cash margin	279 149	(279 149)
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(1 958 442)	1 958 442
Cash flow sensitivity (net)*	99 978	(99 978)
2017		
Cash and cash equivalents	2 741 398	(2 741 398)
Equity swap derivative cash margin	460 672	(460 672)
Loan to joint venture	70 781	(70 781)
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(3 477 505)	3 477 505
Cash flow sensitivity (net)*	(204 654)	204 654
COMPANY		
2018		
Greenbay Share Incentive loans	12 300	(12 300)
Cash and cash equivalents	654 846	(654 846)
Equity swap derivatives cash margin	242 122	(242 122)
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(872 918)	872 918
Cash flow sensitivity (net)*	36 350	(36 350)
2017		
Cash and cash equivalents	1 378 896	(1 378 896)
Equity swap derivatives cash margin	375 140	(375 140)
Interest-bearing borrowings (including implied borrowings on equity swap derivatives)	(2 070 755)	2 070 755
Cash flow sensitivity (net)*	(316 719)	316 719

* The cash flow sensitivity approximates the change to profit or loss before tax.

The group adopts a policy of hedging, at a minimum, interest rates on all interest-bearing borrowings related to direct property investments.

24. FINANCIAL INSTRUMENTS continued**24.3 Market risk** continued**24.3.1 Interest rate risk** continued

Details of existing interest rate derivatives are:

	Maturity	Nominal amount EUR	Strike rate %	Fair value EUR
GROUP				
2018				
Interest rate cap	January 2022	27 385 417	0,00	172 162
Interest rate cap	July 2024	25 000 000	0,46	17 275
Interest rate cap	December 2025	25 000 000	0,63	(92 531)
Interest rate cap	July 2026	25 000 000	0,70	18 074
Interest rate cap	November 2027	25 000 000	0,87	(148 406)
Total		127 385 417		(33 426)
Weighted average maturity/rate	6,6 years		0,52	
2017				
Interest rate cap	January 2022	27 385 417	0,00	267 437
Total		27 385 417		267 437
Weighted average maturity/rate	4,3 years		0,00	
COMPANY				
2018				
Interest rate cap	January 2022	27 385 417	0,00	172 162
Total		27 385 417		172 162
Weighted average maturity/rate	3,3 years		0,00	
2017				
Interest rate cap	January 2022	27 385 417	0,00	267 437
Total		27 385 417		267 437
Weighted average maturity/rate	4,3 years		0,00	

24.3.2 Equity price risk

The carrying amount of financial assets represents the maximum equity price risk exposure. The maximum exposure to equity price risk at the reporting date was:

	GROUP		COMPANY	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Listed security investments	322 763 421	159 448 464	115 466 120	74 530 500
Gross equity swap derivatives exposure to listed investments*	366 877 956	669 411 060	174 583 561	414 150 923
Gross exposure to listed equity securities investments	689 641 377	828 859 524	290 049 681	488 681 423

* The group utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies, for which an equity swap derivatives cash margin of between 12% and 45% (2017: between 25% and 37,5%) of the gross exposure is required. The margin requirement is specific to each underlying security. Also refer to notes 4 and 7.

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24. FINANCIAL INSTRUMENTS continued

24.3 Market risk continued

24.3.2 Equity price risk continued

An 8,0% change in the market value of gross listed securities' investments would have increased/(decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	Profit or (loss) before income tax	
	Increase EUR	Decrease EUR
GROUP		
2018		
Listed security investments	25 821 074	(25 821 074)
Gross equity swap derivative exposure to listed investments*	29 350 236	(29 350 236)
	55 171 310	(55 171 310)
2017		
Listed security investments	12 755 877	(12 755 877)
Gross equity swap derivative exposure to listed investments*	53 552 886	(53 552 886)
	66 308 763	(66 308 763)
COMPANY		
2018		
Listed security investments	9 237 290	(9 237 290)
Gross equity swap derivative exposure to listed investments*	13 966 684	(13 966 684)
	23 203 974	(23 203 974)
2017		
Listed security investments	5 962 440	(5 962 440)
Gross equity swap derivative exposure to listed investments*	33 132 074	(33 132 074)
	39 094 514	(39 094 514)

* The group utilises equity swap derivatives to obtain exposure to listed real estate and infrastructure companies, for which an equity swap derivatives cash margin of between 12% and 45% (2017: between 25% and 37,5%) of the gross exposure is required. The margin requirement is specific to each underlying security. Refer to notes 4 and 7.

24.3.3 Currency risk

The group and company's reporting currency is EUR. The group companies' functional currencies are set out below:

	2018	2017
Greenbay Properties Ltd ¹	EUR	EUR
Greenbay Investments 1 Limited ²	USD	USD
Greenbay Investments 2 Limited ¹	EUR	EUR
Greenbay Investments UK Limited	EUR	GBP
Greenbay Netherlands B.V.	EUR	EUR
Greenbay Investments d.o.o.	EUR	EUR
Greenbay Tivoli d.o.o.	EUR	EUR
LocaViseu – Sociedade de Gestão de Imóveis, S.A.	EUR	EUR
RPPSE Forum Coimbra – Sociedade Imobiliária, S.A.	EUR	EUR
RPPSE Forum Viseu – Sociedade Imobiliária, S.A.	EUR	EUR

¹ The 2017 functional currency was restated from GBP for the six months ended 31 March 2017 and EUR for the six months ended 30 September 2017, to EUR for the full reporting period.

² The 2017 functional currency was restated from GBP for the six months ended 31 March 2017 and EUR for the six months ended 30 September 2017, to USD for the full reporting period.

24. FINANCIAL INSTRUMENTS continued**24.3 Market risk** continued**24.3.3 Currency risk** continued

The group and company's exposure to foreign currency risk, respectively, is primarily as a result of:

- » Greenbay Properties Ltd and Greenbay Investments 1 Limited's investments in listed equity securities denominated in foreign currencies;
- » Greenbay Properties Ltd and Greenbay Investments 1 Limited's investments in equity swap derivatives, which are referenced to underlying listed equity securities denominated in foreign currencies. (Refer to notes 4, 7 and 11.); and
- » Greenbay Properties Ltd raising capital in South African Rand ("ZAR") on the JSE during 2016 and 2017.

The below foreign currency sensitivities and rates have been applied in calculating the effect that the group and company's exposure to foreign currencies could have on profit or loss:*

	2018 %	2017 %	2018 Average fx rate	2017 Average fx rate	2018 Closing fx rate	2017 Closing fx rate
AUD/EUR	7,0	5,0	1,57	1,45	1,61	1,51
CAD/EUR	2,0	2,0	1,53	1,45	1,50	1,47
HKD/EUR	3,0	8,0	9,32	8,60	9,09	9,23
SGD/EUR	1,0	5,0	1,60	1,54	1,59	1,60
GBP/EUR	1,0	2,0	0,88	0,87	0,89	0,88
USD/EUR	3,0	7,0	1,19	1,11	1,16	1,18
ZAR/EUR	6,0	9,0	15,54	14,78	16,41	16,02

* The foreign exchange sensitivities were determined by selecting the larger of each respective currency pair's:

- » Absolute percentage change between the opening and closing spot rates of the reporting period; and
- » Absolute percentage change between the average and closing spot rates of the reporting period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

24. FINANCIAL INSTRUMENTS continued

24.3 Market risk continued

24.3.3 Currency risk continued

At the reporting date, if the EUR had weakened/strengthened by the relevant sensitivity against the other currencies, with all variables constant, profit or loss before tax for the year would have been impacted as follows:

	Changes in profit or (loss) before income tax			
	GROUP		COMPANY	
	EUR weakened*	EUR strengthened*	EUR weakened*	EUR strengthened*
2018				
Investments at fair value through profit or loss	6 570 520	(6 570 520)	2 568 297	(2 568 297)
Loans to subsidiaries	–	–	2 411 113	(2 411 113)
Net financial assets and liabilities (excluding equity swap derivatives cash margin)	9 782	(9 782)	939	(939)
Receivables	264 061	(264 061)	45 733	(45 733)
Cash and cash equivalents (including equity swap derivatives cash margin)	9 402 534	(9 402 534)	7 343 822	(7 343 822)
Trade and other payables	(17 250 861)	17 250 861	(17 490 689)	17 490 689
	(1 003 964)	1 003 964	(5 120 785)	5 120 785
AUD/EUR	1 485 483	(1 485 483)	1 166 330	(1 166 330)
CAD/EUR	1 057 626	(1 057 626)	475 632	(475 632)
HKD/EUR	789 557	(789 557)	–	–
GBP/EUR	472 351	(472 351)	1 509 045	(1 509 045)
USD/EUR	2 858 131	(2 858 131)	1 777 874	(1 777 874)
ZAR/EUR	(7 668 973)	7 668 973	(10 049 805)	10 049 805
Other currencies	1 861	(1 861)	139	(139)
	(1 003 964)	1 003 964	(5 120 785)	5 120 785
2017				
Investments at fair value through profit or loss	4 566 494	(4 566 494)	1 786 509	(1 786 509)
Loans to subsidiaries	–	–	4 877 838	(4 877 838)
Net financial assets and liabilities (excluding equity swap derivatives cash margin)	60 220	(60 220)	–	–
Receivables	184 619	(184 619)	10 247	(10 247)
Cash and cash equivalents (including equity swap derivatives cash margin)	4 305 783	(4 305 783)	3 824 702	(3 824 702)
Trade and other payables	(884 385)	884 385	(402 516)	402 516
	8 232 731	(8 232 731)	10 096 780	(10 096 780)
AUD/EUR	69 330	(69 330)	47 498	(47 498)
CAD/EUR	32 570	(32 570)	31 435	(31 435)
HKD/EUR	772 483	(772 483)	–	–
GBP/EUR	91 846	(91 846)	2 748 498	(2 748 498)
USD/EUR	7 042 315	(7 042 315)	7 174 855	(7 174 855)
ZAR/EUR	174 056	(174 056)	44 363	(44 363)
Other currencies	50 131	(50 131)	50 131	(50 131)
	8 232 731	(8 232 731)	10 096 780	(10 096 780)

* The foreign exchange sensitivities were determined by selecting the larger of each respective currency pair's:

- » Absolute percentage change between the opening and closing spot rates of the reporting period; and
- » Absolute percentage change between the average and closing spot rates of the reporting period.

24. FINANCIAL INSTRUMENTS continued**24.3 Market risk** continued**24.3.3 Currency risk** continued

The currency profile of the company's assets and liabilities is disclosed in the segmental analysis (refer to pages 59 to 76).

Foreign exchange hedging policy

Equity swap derivatives offer gearing in the same currency as the underlying equity exposure and, together with the equity swap derivatives cash margin held substantially in EUR, mitigates currency risk. A new policy whereby 25% of the USD directly held capital exposure is hedged against the EUR has been implemented for the current reporting period. The board's policy is to hedge 90% of non-EUR denominated distributable income receivable over the forecast period, currently being two years.

	0 – 12 months			1 – 2 years		
	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR	Gross FX hedge foreign currency	Weighted average hedge rate	Hedge fair value EUR
GROUP						
2018						
AUD/EUR	7 339 169	1,58298	66 794	3 571 547	1,62799	72 101
CAD/EUR	8 007 106	1,56322	(68 707)	6 651 865	1,57230	5 235
GBP/EUR	2 570 711	0,89760	8 656	524 517	0,91756	(2 572)
HKD/EUR	13 274 094	9,66866	(58 774)	5 232 123	9,59740	(1 505)
SGD/EUR	1 152 555	1,64335	7 645	821 666	1,67251	(5 325)
USD/EUR	25 477 157	1,21607	(392 400)	25 551 365	1,24033	(165 687)
			(436 786)			(97 753)
2017						
AUD/EUR	2 945 577	1,51952	20 148	–	–	–
CAD/EUR	4 188 586	1,49284	13 840	–	–	–
GBP/EUR	472 406	0,89548	107 766	–	–	–
HKD/EUR	3 389 072	9,35743	(901)	–	–	–
SGD/EUR	806 088	1,60940	2 770	–	–	–
USD/EUR	18 248 247	1,18913	160 045	–	–	–
			303 668			–
COMPANY						
2018						
AUD/EUR	284 601	1,61130	2 105	–	–	–
CAD/EUR	1 066 946	1,59796	8 471	–	–	–
GBP/EUR	1 089 249	0,89216	7 461	–	–	–
SGD/EUR	980 780	1,64059	9 921	–	–	–
USD/EUR	1 172 806	1,26250	14 976	–	–	–
			42 934			–
2017						
AUD/EUR	950 384	1,52788	5 412	–	–	–
CAD/EUR	185 712	1,47780	1 165	–	–	–
GBP/EUR	199 208	0,88463	48 060	–	–	–
SGD/EUR	402 853	1,62810	(1 491)	–	–	–
USD/EUR	1 533 199	1,20391	4 359	–	–	–
			57 504			–

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24. FINANCIAL INSTRUMENTS continued

24.4 Fair values

24.4.1 Classification of financial instruments assets and liabilities

	Held at fair value through profit or loss EUR	Designated at fair value through profit or loss EUR	Loans, receivables or financial liabilities EUR	Not in scope of IAS 39 EUR	Total EUR
GROUP					
2018					
Financial assets					
Investments	322 763 421	–	–	–	322 763 421
Financial and other assets	–	442 755	56 073 583	4 057 292	60 573 630
Trade and other receivables	–	–	12 722 401	307 035	13 029 436
Cash and cash equivalents	–	–	355 610 318	–	355 610 318
	322 763 421	442 755	424 406 302	4 364 327	751 976 805
Financial liabilities					
Interest-bearing borrowings	–	–	126 322 113	–	126 322 113
Financial liabilities	–	1 010 720	115 305	–	1 126 025
Trade and other payables	–	–	316 389 373	–	316 389 373
	–	1 010 720	442 826 791	–	443 837 511
COMPANY					
2018					
Financial instruments assets					
Investments	115 466 120	–	–	–	115 466 120
Investment in and loans to subsidiaries	–	–	604 471 343	8 250 400	612 721 743
Financial and other assets	–	215 096	50 884 452	282 100	51 381 648
Trade and other receivables	–	–	1 907 328	795	1 908 123
Cash and cash equivalents	–	–	130 969 262	–	130 969 262
	115 466 120	215 096	788 232 385	8 533 295	912 446 896
Financial instruments liabilities					
Trade and other payables	–	–	306 262 307	–	306 262 307
	–	–	306 262 307	–	306 262 307

24. FINANCIAL INSTRUMENTS continued**24.4 Fair values** continued**24.4.1 Classification of financial instruments assets and liabilities** continued

	Held at fair value through profit or loss EUR	Designated at fair value through profit or loss EUR	Loans, receivables or financial liabilities EUR	Not in scope of IAS 39 EUR	Total EUR
GROUP					
2017					
Financial instruments assets					
Investments	159 448 464	–	–	–	159 448 464
Investment in and loans to joint venture	–	–	14 155 900	45 205 110	59 361 010
Financial and other assets	–	571 105	92 640 146	368 900	93 580 151
Trade and other receivables	–	–	3 244 607	272 469	3 517 076
Cash and cash equivalents	–	–	548 279 585	–	548 279 585
	159 448 464	571 105	658 320 238	45 846 479	864 186 286
Financial instruments liabilities					
Interest-bearing borrowings	–	–	26 089 853	–	26 089 853
Trade and other payables	–	–	14 670 411	–	14 670 411
	–	–	40 760 264	–	40 760 264
COMPANY					
2017					
Financial assets					
Investments	74 530 500	–	–	–	74 530 500
Investment in and loans to subsidiaries	–	–	469 068 939	–	469 068 939
Financial and other assets	–	324 941	75 533 730	368 900	76 227 571
Trade and other receivables	–	–	6 696 133	795	6 696 928
Cash and cash equivalents	–	–	275 779 140	–	275 779 140
	74 530 500	324 941	827 077 942	369 695	902 303 078
Financial liabilities					
Trade and other payables	–	–	6 392 517	–	6 392 517
	–	–	6 392 517	–	6 392 517

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24. FINANCIAL INSTRUMENTS continued

24.4 Fair values continued

24.4.2 Fair value measurement of assets and liabilities

The table below analyses financial instruments and investment property measured at fair value, by a valuation method. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The table below includes only those assets and liabilities that are measured at fair value on a recurring basis. The different levels have been defined as:

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included in 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 assets or liabilities that are not based on observable market data (unobservable inputs).

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Fair value EUR
GROUP				
2018				
Investment property	–	–	292 693 712	292 693 712
Financial investments at fair value through profit or loss	322 763 421	–	–	322 763 421
Financial assets	–	442 755	–	442 755
Total assets measured at fair value	322 763 421	442 755	292 693 712	615 899 888
Financial liabilities	–	1 010 720	–	1 010 720
Total liabilities measured at fair value	–	1 010 720	–	1 010 720
2017				
Investment property	–	–	71 442 548	71 442 548
Financial investments at fair value through profit or loss	159 448 464	–	–	159 448 464
Financial assets	–	571 105	–	571 105
Total assets measured at fair value	159 448 464	571 105	71 442 548	231 462 117
COMPANY				
2018				
Financial investments at fair value through profit or loss	115 466 120	–	–	115 466 120
Financial assets	–	215 096	–	215 096
Total assets measured at fair value	115 466 120	215 096	–	115 681 216
2017				
Financial investments at fair value through profit or loss	74 530 500	–	–	74 530 500
Financial assets	–	324 941	–	324 941
Total assets measured at fair value	74 530 500	324 941	–	74 855 441

The carrying amounts of financial instruments that are not measured at fair value reasonably approximate their fair value due to:

- » For loans to subsidiaries and loans to joint ventures: no significant changes in the terms, circumstances, credit conditions or interest rate environment since the loans were granted.
- » For trade and other receivables, cash and cash equivalents and trade and other payables: their short-term nature.

24. FINANCIAL INSTRUMENTS continued**24.4 Fair values** continued**24.4.2 Fair value measurement of assets and liabilities** continued

The following table shows the valuation techniques used in measuring level 2 and 3 fair values, as well as the significant unobservable inputs used:

Type	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Investment property and investment property under development	Fair value is determined by capitalising the net revenue stream evidenced by market-related rentals and deducting market-related expenses. Spare land value added to the capitalised value is based on comparative sales of similar land. Assumptions are made on the expiry of leases for some vacancy. Capital costs in respect of fit-outs for new tenants, as well as agency commission fees are calculated into the cash flow. Among other factors, the capitalisation rate estimation considers the quality of the building, its location, the tenants' credit quality and their lease terms.	» Estimated rentals at the end of the lease; » Assumptions regarding vacancy levels; » Maintenance costs; and » Capitalisation rate.	The estimated fair value would increase if: » The expected market rental growth increased; » Vacant periods were shorter; » Maintenance costs were lower; or » The capitalisation rate declined.
Derivative assets and liabilities: interest rate caps*	Valued by discounting the future cash flows using the applicable swap curve at the dates when the cash flows will take place.	Not applicable	Not applicable
Derivative assets and liabilities: forward exchange contracts*	Valued by discounting the forward rates applied at the financial reporting date to the open hedge positions.	Not applicable	Not applicable

* The valuations of the interest rate and currency derivatives have been performed externally by independent experts.

The group measures its investment properties at fair value. The group engaged independent valuation specialists to determine fair value at the reporting date. The valuation techniques are detailed in note 3. Changes in the capitalisation rate attributable to changes in market conditions can have a significant impact on property valuations.

	2018 %	2017 %
The range of capitalisation rates to determine investment property fair values	5,50 to 7,25	7,20

A 0,25% change in the capitalisation rate used to determine the fair value of investment properties would have increased/ (decreased) profit and (loss) by the amounts shown below. This analysis assumes that all other variables remain constant.

Profit or (loss) before income tax – Group

	Increase		Decrease	
	2018 EUR	2017 EUR	2018 EUR	2017 EUR
Investment property	12 834 940	2 068 345	(11 786 178)	(1 929 530)

There were no transfers between levels 1, 2 and 3 during the year. Refer to note 3 for the movements in investment property.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

25. ACCOUNTING ESTIMATES AND JUDGEMENTS

Management discusses with the audit committee the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these policies and estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the future are discussed below.

25.1 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 risks that only represent the group's view of possible near-term market changes that cannot be predicted with any certainty.

25.2 Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are recognised against trade receivables when the collectability is considered to be doubtful. Management believes that the impairment recognition is conservative and there are no significant trade receivables that are doubtful and that have not been written off. In determining whether a particular receivable could be doubtful, the following factors are taken into consideration: age; the customers' current financial status; security held; and disputes with the customer.

25.3 Investment properties

The fair value measurement of investment properties requires judgement in the determination of future net cash flows from leases and appropriate discount/capitalisation rates to be applied. Independent external valuations have been obtained for all investment properties as at the reporting date. The directors are of the view that the independent external valuation of the investment properties sufficiently mitigates the estimation uncertainty.

Refer to notes 3 and 24.4 for additional details.

26. RELATED PARTY TRANSACTIONS

Various transactions were entered into between related parties. These transactions were entered into on market-related terms in the normal course of business.

Identity of related parties with whom material transactions have occurred

The subsidiaries, key management personnel and directors are related parties. The subsidiaries of the company are identified in note 5.

The directors are set out on page 31.

Material related party transactions

Investment in and loans to subsidiaries are set out in note 5.

Investment in and loans to joint venture are set out in note 6.

Revenue and interest received from subsidiaries and joint ventures is set out in profit or loss.

Asset management fee revenues and expense are set out in note 5.

Due to Greenbay's small number of employees, all staff costs may be considered as relating to key management personnel, as set out in note 16.

Remuneration paid to directors is set out on pages 41 and 43, and in note 16.

Greenbay Share Incentive loans to directors are set out in note 8.

Interest paid by directors to Greenbay in terms of the Share Incentive amounts to EUR28 000 (2017: EUR38 775).

For the years ended 30 September 2018 and 2017, respectively, the group and the company have not recognised any impairment of receivables relating to amounts owed by related parties, except for the impairment of the Share Incentive loans. This assessment is undertaken at the end of each reporting period by examining the financial position of the related party and the market in which it operates.

27. STANDARDS AND INTERPRETATIONS

27.1 Issued but not yet effective

At the reporting date, the following applicable standards and interpretations were in issue but not yet effective:

IFRS			Effective date
IFRS 9	<i>Financial Instruments</i>	Reissue of a complete standard with all the chapters incorporated.	Annual periods beginning on or after 1 January 2018
IFRS 9	<i>Financial Instruments</i>	Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	Annual periods beginning on or after 1 January 2019
IFRS 15	<i>Revenue from Contracts with Customers</i>	Original issue and clarifications to IFRS 15	Annual periods beginning on or after 1 January 2018
IFRS 16	<i>Leases</i>	Original issue	Annual periods beginning on or after 1 January 2019
IAS 28	<i>Investments in Associates and Joint Ventures</i>	Amendments resulting from Annual Improvements 2014-2016 Cycle	Annual periods beginning on or after 1 January 2018
IAS 28	<i>Investments in Associates and Joint Ventures</i>	Amendments regarding long-term interests in associates and joint ventures	Annual periods beginning on or after 1 January 2019
IAS 40	<i>Investment Property</i>	Amendments to clarify transfers or property to, or from, investment property	Annual periods beginning on or after 1 January 2018

None of these standards are expected to have a material impact on the consolidated and separate annual financial statements. Specific consideration has been given to the following standards:

IFRS 9: Financial Instruments

IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of this standard was issued in July 2014 and replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis for classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income with no recycling.

There is now a new expected credit losses model that replaces the incurred impairment model used in IAS 39. For financial liabilities, there were no changes to classification and measurement, except for the recognition of changes in a company's own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss.

The group expects IFRS 9 to have an immaterial impact on the accounting for financial assets and liabilities. The group does not recognise any available-for-sale financial assets. In addition to this, the group measures investments in equity instruments at fair value through profit or loss.

It is noted that IFRS 9 relaxes the requirements for hedge effectiveness. These amendments will not affect the group as the group does not apply hedge accounting in respect of interest rates and currency derivatives utilised to hedge risk.

IFRS 15: Revenue from Contracts with Customers

This standard establishes a five-step model for revenue recognition and principles for the reporting of useful information to users of the annual financial statements about the nature, amount, timing and uncertainty of revenue cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of the good or service and thus has the ability to direct the use and obtain the benefits from the good or service. This standard replaces IAS 18: *Revenue* and IAS 11: *Construction Contracts and Related Interpretations*.

Leases are specifically scoped out of IFRS 15. The effect of the standard has been examined and would have an immaterial impact on the group once implemented.

Rental revenue from investment property will continue to be recognised in profit or loss on a straight-line basis over the term of the lease.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

27. STANDARDS AND INTERPRETATIONS continued

27.1 Issued but not yet effective continued

IFRS 16: Leases

For lessees, this standard will result in almost all leases being recognised as assets and liabilities, as the distinction between operating and finance leases will be removed. Under the new standard, an asset (the right to use the leased item) and a liability to make lease payments is recognised. The only exceptions are short-term and low-value leases.

The IFRS 16 lessor accounting requirements remain largely unchanged from IAS 17, which continue to require a lessor to classify a lease either as an operating lease or a finance lease.

The group is a lessor and, since the accounting requirements for a lessor have remained largely unchanged, the group does not expect a significant impact on current accounting practices.

28. RESTATEMENT

As a result of JSE proactive monitoring process queries, the group has revisited the accounting treatment of the below-mentioned matters.

28.1 Change in functional currency and foreign currency translation reserve

The group has reassessed the functional currencies of each of the group companies for the 2016, 2017 and 2018 reporting periods to comply with IAS 21: *The Effects of Changes in Foreign Exchange Rates*. The changes in functional currency were made primarily as a result of a re-evaluation of the primary economic environment (IAS 21:9) in which the relevant entities operated during the respective periods. Also refer to note 24.3.3.

The group has changed the functional currencies of certain entities as follows:

	Current accounting treatment	Previous accounting treatment
Greenbay Properties Ltd – 2017 reporting period	EUR for the full reporting period	GBP for the six months ended 31 March 2017 and EUR for the six months ended 30 September 2017
– 2016 reporting period	USD for the full reporting period	EUR for the six months ended 31 March 2016 and GBP for the six months ended 30 September 2016
Greenbay Investments 1 Limited – 2017 reporting period	USD for the full reporting period	GBP for the six months ended 31 March 2017 and EUR for the six months ended 30 September 2017

The changes in functional currency constitute a prior period error in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and, as such, the group's prior annual financial statements have been restated.

Greenbay previously converted stated capital at historical foreign exchange rates when accounting for changes in functional currency, with the difference between the historical and spot foreign exchange rates allocated to the foreign currency translation reserve. The accounting has been amended to recognise capital issuances at the spot foreign exchange rate at the date of the change in functional currency as part of stated capital.

Refer to the annual financial statements below, summarising the changes to previously reported figures.

28.2 Financial assets (including equity swap derivatives cash margin)

The equity swap derivatives cash margin was previously presented under current assets. The group has reassessed the presentation and classification of its equity swap derivatives cash margin and determined that the restricted portion of cash collateral should be classified under non-current assets. The remaining portion of cash was reclassified as cash and cash equivalents.

The change in presentation and classification of equity swap derivatives cash margin constitutes a prior period error in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and as such the group's prior annual financial statements have been restated.

Refer to the annual financial statements below, summarising the changes to previously reported figures.

28. RESTATEMENT continued

28.3 Classification of finance and dividend income as revenue

The group has reassessed the classification and presentation of its finance and dividend income. As the company's primary functions are those of a group holding, investment and treasury company, all dividend and finance income have been reclassified as revenue. Finance income on earned equity swap derivatives cash margin has been reclassified as investment revenue.

Refer to the annual financial statements below, summarising the changes to previously reported figures.

28.4 Equity swap derivatives

The group has reassessed the accounting treatment of its investments in equity swap derivatives. These instruments have been determined to be combined derivative instruments, i.e. with inherent equity swap and debt components. The presentation of the financial position and disclosure remain unchanged. However, the classification and presentation in profit or loss have been amended to combine all dividend income, finance costs and fair value gains and losses related to the equity swap derivatives in one line item: fair value gain/(loss) on investments, as required by IAS 39.

The change in accounting treatment of the equity swap derivatives constitutes a prior period error in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and as such the group's prior annual financial statements have been restated.

Refer to the annual financial statements below, summarising the changes to previously reported figures.

28.5 Financial liability derivatives from bookbuilds

The group has reassessed the accounting treatment of its bookbuilds in terms of the requirements of IAS 32: *Financial Instruments – Presentation*. Financial liability derivatives should have been recognised from the dates of the bookbuilds through to the dates that the related shares were issued and payment received. The previously reported 2016 and 2017 annual financial statements were restated to account for the fair value losses in profit or loss, that arose as a result of fair valuing these financial liability derivatives.

The change in accounting treatment related to the embedded derivatives in bookbuilds constitutes a prior period error in terms of IAS 8: *Accounting Policies, Changes in Accounting Estimates and Errors* and as such the group's prior annual financial statements have been restated.

Refer to the annual financial statements below, summarising the changes to previously reported figures.

28.6 Transaction costs on listed securities and equity swap derivatives investments

The group has reassessed its accounting for transactions costs related to listed securities investments and equity swap derivatives. The classification and presentation of these transaction costs has been amended for it to be included as part of administrative and other expenses.

Refer to the annual financial statements below, summarising the changes to prior reported figures.

28.7 Financial reporting improvement initiative

The group has completed a financial reporting improvement project to ensure full compliance with IFRS, applicable regulatory requirements and enhanced disclosures for relevant stakeholders and users of the annual financial statements. One of the considerations of the project was to "declutter" the annual financial statements so as to ensure that it reflects information that is material to users of the annual financial statements. These changes do not result from prior period errors, but rather reclassifications and disclosure amendments.

Refer to the annual financial statements below, summarising the changes to previously reported figures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

28. RESTATEMENT continued

28.8 Impact of restatements on previously reported annual financial statements

Refer to the relevant 2017 and 2016 annual financial statements below for the impact of the restatements:

Note: The impact of the changes on EPS and HEPS has been indicated in the restated 2017 statement of profit or loss and other comprehensive income below.

Group consolidated statement of financial position as at 30 September 2017

	Previously reported 2017 EUR	RESTATEMENT ADJUSTMENTS	
		Reclassification for financial reporting improvement initiative 2017 EUR	Equity swap derivative cash margin 2017 EUR
ASSETS			
Non-current assets	290 757 701	–	92 134 467
Investment property	57 498 838	13 943 710	–
Straight-lining of rental revenue adjustment	1 162	(1 162)	–
Investment property under development	13 942 548	(13 942 548)	–
Investments	159 448 464	–	–
Investment in and loans to joint venture	59 361 010	–	–
Financial and other assets	–	505 679	92 134 467
Greenbay Share Incentive loans	505 679	(505 679)	–
Current assets	644 871 133	–	(92 134 467)
Financial and other assets	–	940 005	–
Equity swap derivatives cash margin	233 825 666	–	(233 825 666)
Trade and other receivables	4 457 081	(940 005)	–
Cash and cash equivalents	406 588 386	–	141 691 199
Total assets	935 628 834	–	–
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	893 778 890	–	–
Stated capital	892 382 767	–	–
Non-distributable reserve	(36 075 289)	–	–
Foreign currency translation reserve	(11 028 779)	–	–
Retained earnings	48 500 191	–	–
Total liabilities	41 849 944	–	–
Non-current liabilities	25 144 714	–	–
Interest-bearing borrowings	24 714 857	–	–
Deferred tax	429 857	–	–
Current liabilities	16 705 230	–	–
Interest-bearing borrowings	1 374 996	–	–
Trade and other payables	14 670 411	–	–
Income tax payable	659 823	–	–
Total equity and liabilities	935 628 834	–	–

RESTATEMENT ADJUSTMENTS					
Financial assets and liabilities: non-current vs. current 2017 EUR	Financial liability derivatives from bookbuilds 2017 EUR	Change in functional currency 2017 EUR	Foreign currency translation reserve on change in functional currency 2017 EUR	Restated 2017 EUR	
549 537	–	–	–	383 441 705	
–	–	–	–	71 442 548	
–	–	–	–	–	
–	–	–	–	–	
–	–	–	–	159 448 464	
–	–	–	–	59 361 010	
549 537	–	–	–	93 189 683	
–	–	–	–	–	
(549 537)	–	–	–	552 187 129	
(549 537)	–	–	–	390 468	
–	–	–	–	–	
–	–	–	–	3 517 076	
–	–	–	–	548 279 585	
–	–	–	–	935 628 834	
–	–	–	–	893 778 890	
–	94 013 684	–	(11 028 765)	975 367 686	
–	(94 013 684)	(88 872)	–	(130 177 845)	
–	–	242 199	11 028 765	242 185	
–	–	(153 327)	–	48 346 864	
–	–	–	–	41 849 944	
–	–	–	–	25 144 714	
–	–	–	–	24 714 857	
–	–	–	–	429 857	
–	–	–	–	16 705 230	
–	–	–	–	1 374 996	
–	–	–	–	14 670 411	
–	–	–	–	659 823	
–	–	–	–	935 628 834	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

28. RESTATEMENT continued

28.8 Impact of restatements on previously reported annual financial statements continued

Group consolidated statement of financial position as at 30 September 2016

	Previously reported 2016 EUR	RESTATEMENT ADJUSTMENTS	
		Reclassification for financial reporting improvement initiative 2016 EUR	Equity swap derivative cash margin 2016 EUR
ASSETS			
Non-current assets	75 716 763	–	83 137 971
Investment property	56 750 707	13 320 925	–
Straight-lining of rental revenue adjustment	1 479	(1 479)	–
Investment property under development	13 319 446	(13 319 446)	–
Investments	3 095 644	–	–
Financial and other assets	–	2 549 487	83 137 971
Greenbay Share Incentive loans	2 549 487	(2 549 487)	–
Current assets	310 058 034	–	(83 137 971)
Equity swap derivatives cash margin	86 226 838	–	(86 226 838)
Trade and other receivables	7 534 350	–	–
Cash and cash equivalents	216 296 846	–	3 088 867
Total assets	385 774 797	–	–
EQUITY AND LIABILITIES			
Total equity attributable to equity holders	383 936 503	–	–
Stated capital	364 806 890	–	–
Non-distributable reserve	19 034 695	–	–
Foreign currency translation reserve	(20 758 845)	–	–
Retained earnings	20 853 763	–	–
Total liabilities	1 838 294	–	–
Non-current liabilities	–	–	–
Interest-bearing borrowings	–	–	–
Current liabilities	1 838 294	–	–
Trade and other payables	1 706 317	–	–
Income tax payable	131 977	–	–
Total equity and liabilities	385 774 797	–	–

RESTATEMENT ADJUSTMENTS					
Financial assets and liabilities: non-current vs. current 2016 EUR	Financial liability derivatives from bookbuilds 2016 EUR	Change in functional currency 2016 EUR	Foreign currency translation reserve on change in functional currency 2016 EUR	Restated 2016 EUR	
-	-	-	-	158 854 734	
-	-	-	-	70 071 632	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	3 095 644	
-	-	-	-	85 687 458	
-	-	-	-	-	
-	-	-	-	226 920 063	
-	-	-	-	-	
-	-	-	-	7 534 350	
-	-	-	-	219 385 713	
-	-	-	-	385 774 797	
-	-	-	-	383 936 503	
-	70 927 917	-	(20 758 845)	414 975 962	
-	(70 927 917)	211 920	-	(51 681 302)	
-	-	(115 480)	20 758 845	(115 480)	
-	-	(96 440)	-	20 757 323	
-	-	-	-	1 838 294	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	1 838 294	
-	-	-	-	1 706 317	
-	-	-	-	131 977	
-	-	-	-	385 774 797	

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

28. RESTATEMENT continued

28.8 Impact of restatements on previously reported annual financial statements continued

**Group consolidated statement of profit or loss and other comprehensive income
for the year ended 30 September 2017**

	Previously reported 2017 EUR	RESTATEMENT ADJUSTMENTS	
		Reclassification for financial reporting improvement initiative 2017 EUR	Reclassification for financial reporting improvement initiative 2017 EUR
Investment revenue	–	255 367	2 406 029
Property rental and related revenue	–	5 965 309	–
Finance income	–	65 748	4 230 878
Total revenue	–	6 286 424	6 636 907
Net rental and related revenue	3 930 167	(3 930 167)	–
Recoveries and contractual rental revenue	5 964 147	(5 964 147)	–
Straight-lining of rental revenue adjustment	1 162	(1 162)	–
Rental revenue	5 965 309	(5 965 309)	–
Property operating expenses	(2 035 142)	2 035 142	–
Income from equity swap derivatives	27 803 793		
Income from investments	255 367	(255 367)	
Fair value (loss)/gain on investment property, investments and derivatives	(12 402 800)	–	(2 138 592)
Fair value (loss)/gain on investments	(4 108 359)	–	(2 406 029)
Fair value gain/(loss) on investment property	766 017	(1 162)	–
Adjustment resulting from straight-lining of rental revenue	(1 162)	1 162	–
Fair value (loss)/gain on currency, interest rate and other derivatives	–	303 668	267 437
Fair value gain on currency derivatives	303 668	(303 668)	–
Fair value loss on equity swap derivatives	(9 362 964)	–	–
Property operating expenses	–	(2 035 142)	–
Administrative and other expenses	–	(2 432 819)	–
Operating expenses	(2 432 819)	2 432 819	–
Foreign exchange gain/(loss)	(22 377 572)	–	–
Income from joint venture	1 579 188	–	–
Operating loss	(3 644 676)	65 748	4 498 315
Net finance costs	(1 985 705)	(65 748)	(4 498 315)
Finance income	5 571 105	(65 748)	(4 498 315)
Interest on Greenbay management incentive loans	65 748	(65 748)	–
Fair value gain on interest rate derivatives	267 437	–	(267 437)
Interest received	5 237 920	–	(4 230 878)
Finance costs	(7 556 810)	–	–
Interest on borrowings	(7 556 810)	–	–
Loss before income tax	(5 630 381)	–	–
Income tax	(1 414 429)	–	–
Loss for the year attributable to equity holders of the company	(7 044 810)	–	–

RESTATEMENT ADJUSTMENTS							Restated 2017 EUR
Classification of finance and dividend income as revenue 2017 EUR	Transaction costs on investments 2017 EUR	Foreign exchange gain/(loss) on investments 2017 EUR	Change in equity swap derivative accounting 2017 EUR	Financial liability derivatives from bookbuilds 2017 EUR	Functional currency change 2017 EUR		
1 007 042	–	–	–	–	–		3 668 438
–	–	–	–	–	–		5 965 309
–	–	–	–	–	605		4 297 231
1 007 042	–	–	–	–	605		13 930 978
–	–	–	–	–	–		–
–	–	–	–	–	–		–
–	–	–	–	–	–		–
–	–	–	–	–	–		–
–	–	–	–	–	–		–
(27 803 793)							–
							–
–	248 858	(827 567)	21 436 440	(23 085 767)	644 400		(16 125 028)
–	248 858	(827 567)	12 073 476	–	644 400		5 624 779
–	–	–	–	–	–		764 855
–	–	–	–	–	–		–
–	–	–	–	(23 085 767)	–		(22 514 662)
–	–	–	–	–	–		–
–	–	–	9 362 964	–	–		–
–	–	–	–	–	–		(2 035 142)
–	(248 858)	–	–	–	2 763		(2 678 914)
–	–	–	–	–	–		–
–	–	827 567	–	–	(1 043 412)		(22 593 417)
–	–	–	–	–	–		1 579 188
1 007 042	–	–	(6 367 353)	(23 085 767)	(395 644)		(27 922 335)
(1 007 042)	–	–	6 367 353	–	37 965		(1 151 492)
(1 007 042)	–	–	–	–	–		–
–	–	–	–	–	–		–
–	–	–	–	–	–		–
(1 007 042)	–	–	–	–	–		–
–	–	–	6 367 353	–	37 965		(1 151 492)
–	–	–	6 367 353	–	37 965		(1 151 492)
–	–	–	–	(23 085 767)	(357 679)		(29 073 827)
–	–	–	–	–	–		(1 414 429)
–	–	–	–	(23 085 767)	(357 679)		(30 488 256)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS continued

For the year ended 30 September 2018

28. RESTATEMENT continued

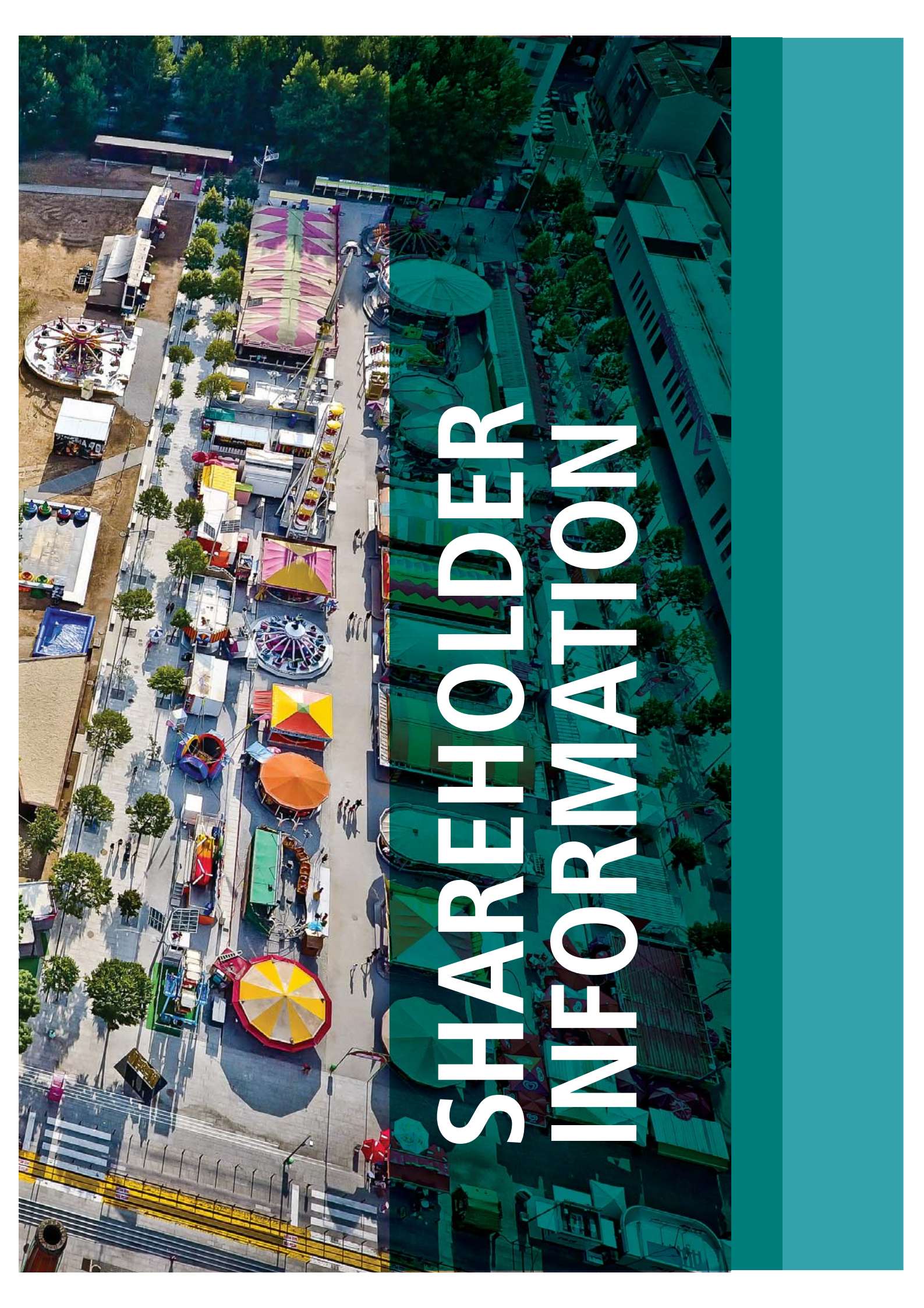
28.8 Impact of restatements on previously reported annual financial statements continued

Group consolidated statement of profit or loss and other comprehensive income for the year ended 30 September 2017 continued

	Previously reported 2017 EUR	RESTATEMENT ADJUSTMENTS	
		Reclassification for financial reporting improvement initiative 2017 EUR	Reclassification for financial reporting improvement initiative 2017 EUR
Other comprehensive income net of tax:			
Items that may be reclassified subsequently to profit and loss			
Exchange differences on translation of foreign operations	(14)	–	–
	(14)	–	–
Total comprehensive income for the year attributable to equity holders of the company	(7 044 824)	–	–
Weighted average number of shares in issue	6 123 109 544	6 123 109 544	6 123 109 544
Basic and diluted loss per share (EUR cents)	(0,12)	–	–
Headline loss and diluted headline loss per share (EUR cents)	(0,13)	–	–
Earnings/(loss) for the year	(7 044 810)	–	–
Adjusted for:			
– Fair value gain on investment property – included in income from joint venture	(766 017)	1 162	–
– Income tax effect	145 543	–	–
Headline (loss)/earnings	(7 665 284)	1 162	–

RESTATEMENT ADJUSTMENTS							Restated for 2017 EUR
Classification of finance and dividend income as revenue 2017 EUR	Transaction costs on investments 2017 EUR	Foreign exchange gain/(loss) on investments 2017 EUR	Change in equity swap derivative accounting 2017 EUR	Financial liability derivatives from bookbuilds 2017 EUR	Functional currency change 2017 EUR		
–	–	–	–	–	357 679		357 665
–	–	–	–	–	357 679		357 665
–	–	–	–	(23 085 767)	–		(30 130 591)
6 123 109 544	6 123 109 544	6 123 109 544	6 123 109 544	6 123 109 544	6 123 109 544		6 123 109 544
–	–	–	–	(0,38)	–		(0,50)
–	–	–	–	(0,38)	–		(0,50)
–	–	–	–	(23 085 767)	(357 679)		(30 488 256)
–	–	–	–	–	–		(764 855)
–	–	–	–	–	–		145 543
–	–	–	–	(23 085 767)	(357 679)		(31 107 568)



An aerial photograph of a fairground or amusement park. The image shows various rides, including a large Ferris wheel, a roller coaster, and several smaller games and stalls. The fairground is surrounded by trees and a road. A teal-colored overlay covers the right half of the image, and the text 'SHAREHOLDER INFORMATION' is written in large white letters across the center.

SHAREHOLDER INFORMATION

OUR SHAREHOLDERS

Shareholder spread at 30 September 2018 as defined in terms of the SEM and JSE Listings Requirements:

	Number of shareholders	Number of shares held	Percentage of issued shares
Public	4 125	9 307 559 084	98,1
Non-public: directors and employees	13	180 547 442	1,9
	4 138	9 488 106 526	100

SIZE OF HOLDING

1 to 2 500 shares	833	600 944	–
2 501 to 10 000 shares	724	4 647 551	–
10 001 to 100 000 shares	1 616	57 784 562	0,6
100 001 to 1 000 000 shares	645	224 839 558	2,4
1 000 001 to 3 500 000 shares	172	340 535 561	3,6
More than 3 500 000 shares	148	8 859 698 350	93,4
	4 138	9 488 106 526	100,0

REGISTERED SHAREHOLDERS OWNING 5% OR MORE OF ISSUED SHARES

Resilient REIT Limited	2 052 361 996	21,6
Fortress REIT Limited	1 987 507 364	20,9
Absa Asset Management Proprietary Limited	679 287 601	7,2
Government Employees Pension Fund	495 846 790	5,2
	5 215 003 751	55,0

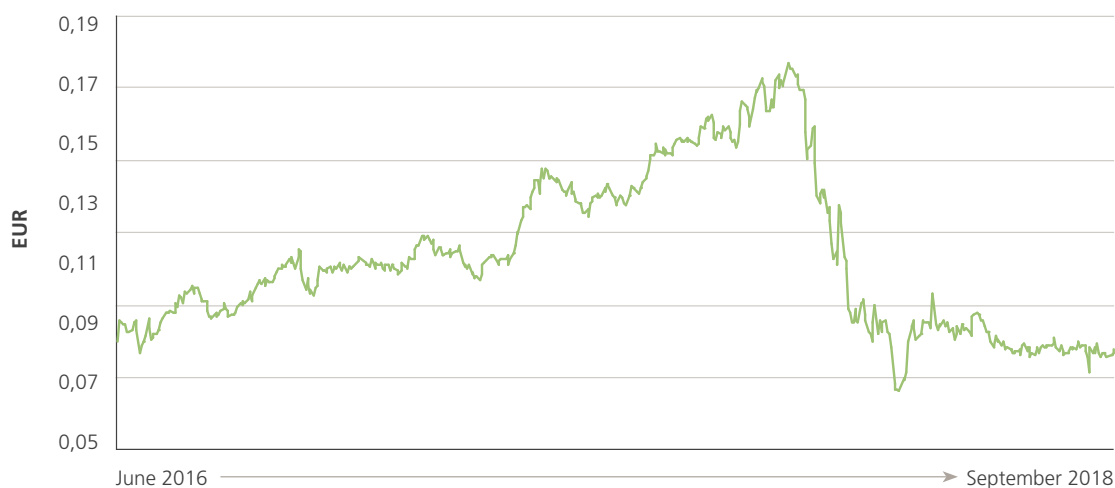
	Number of shares controlled	Percentage of issued shares
CONTROL OF MORE THAN 5% OF ISSUED SHARES		
Resilient REIT Limited	2 052 361 996	21,6
Fortress REIT Limited	1 987 507 364	20,9
Absa Asset Management Proprietary Limited	679 287 601	7,2
Government Employees Pension Fund	495 846 790	5,2
	5 215 003 751	55,0

SUMMARY OF FINANCIAL PERFORMANCE

The board is committed to creating sustainable stakeholder value by managing the portfolio and by maximising returns on Greenbay's assets.

The graphs below indicate the share price performance of Greenbay on both an actual price and percentage return basis. The performance of the Greenbay shares is indexed using a base of 100 on 7 June 2016.

CLOSING PRICE



PRICE PERFORMANCE



CORPORATE INFORMATION

COMPANY DETAILS AND REGISTERED OFFICE

Lighthouse Capital Limited (formerly known as Greenbay Properties Ltd)
Registration number: C124756 C1/GBL
Incorporated in the Republic of Mauritius on 14 August 2014
SEM share code: GFP.N0000
ISIN: MU0461N00015
JSE share code: LTE
C1-401, 4th Floor, La Croisette
Grand Baie, Mauritius
info@greenbay.mu
Tel: +230 269 6619
Fax: +230 403 0801

BOARD OF DIRECTORS

Terry Warren (chairman);
Stephen Delport (chief executive officer)*; Kobus van Biljon* (chief financial officer); Jan Wandrag* (chief operating officer);
Karen Bodenstein; Teddy Lo Seen Chong; Mark Olivier; Barry Stuhler

**executive director*

NETHERLANDS OFFICE

World Trade Centre
Tower A, Level 7
Strawinsky Laan 703, 1077XX
Amsterdam, The Netherlands

TRANSFER SECRETARY

Link Market Services South Africa
Proprietary Limited
13th Floor, 19 Ameshoff Street
Braamfontein, Johannesburg, 2001
(PO Box 522606, Saxonwold, 2132)
South Africa

JSE SPONSOR

Java Capital
6A Sandown Valley Crescent
Sandown, Sandton, 2196
(PO Box 2087, Parklands, 2121)
South Africa

MAURITIAN MANAGEMENT COMPANY AND COMPANY SECRETARY

Intercontinental Trust Ltd
Level 3, Alexander House, 35 Cybercity
Ebene, 72201, Mauritius

AUDITOR

BDO & Co
DCDM Building
10 Frère Félix de Valois Street
Port Louis, Mauritius

SEM AUTHORISED REPRESENTATIVE AND SPONSOR

Perigeum Capital Ltd
Level 3, Alexander House, 35 Cybercity
Ebene, 72201, Mauritius

COMMERCIAL BANKERS

Standard Bank Mauritius
Level 9, Tower A, 1 Cybercity
Ebene, 72201, Mauritius

Afrasia Bank Ltd
3rd Floor, NexTeraCom Tower 3
Ebene, 72201, Mauritius

IMPORTANT DATES

FIRST QUARTER 2019

Quarter ends
Annual general meeting
Announcement of quarterly results (provisional)

31 December 2018
Expected on or about the end of February 2019
14 February 2019





www.lighthousecapital.mu

Formely:

