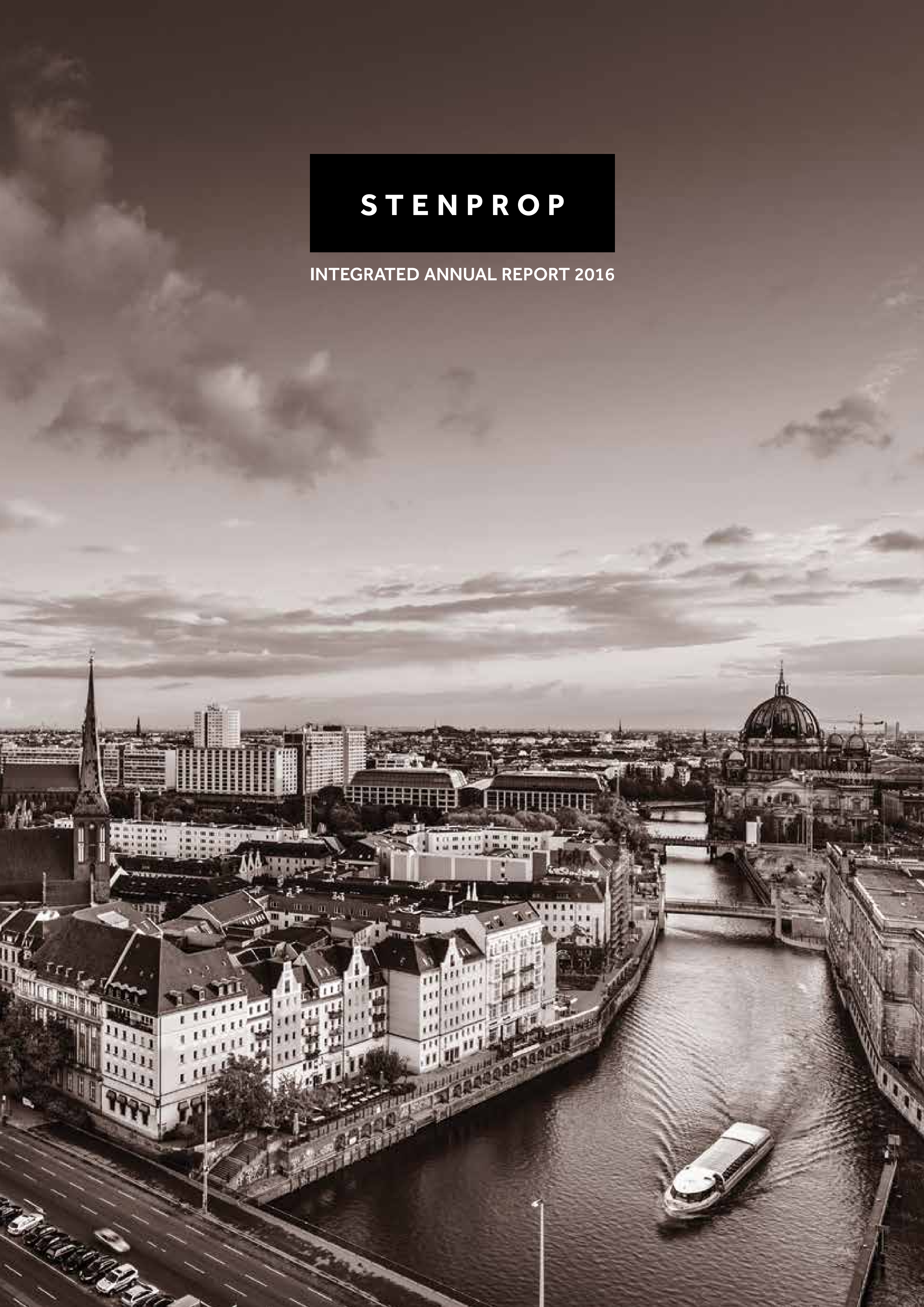
STENPROP

INTEGRATED ANNUAL REPORT 2016



Scope and boundary

Stenprop's integrated annual report 2016 covers the financial year from 1 April 2015 to 31 March 2016. Its scope of reporting remains focused on its reportable business segments. The content included in this integrated annual report is deemed useful and relevant to Stenprop's stakeholders. The content specifically aims to provide stakeholders with an overview of the operations and performance of the business. It endeavours to provide stakeholders with an understanding of the economic and governance matters pertaining to the Group and their impact, in order to enable stakeholders to evaluate Stenprop's ability to create and sustain value

Stenprop Limited ('Stenprop' or the 'Company') is a European property investment group focused on cultivating a diversified portfolio of quality investment properties delivering sustainable and ongoing earnings, distributions and capital growth to stakeholders. Our existing portfolio is focused primarily in major cities in the UK, Germany and Switzerland with an emphasis on commercial and retail assets. Stenprop has dual primary listings on the Bermuda Stock Exchange ('BSX') and the Johannesburg Stock Exchange ('JSE').

About this report

Stenprop's integrated annual report 2016 consists of two parts:

- Integrated Annual Report
- Annual Financial Statements

The statutory annual financial statements ('AFS') were prepared in accordance with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB'), the JSE Listings Requirements and the BSX Listings Regulation and applicable law. They were audited by Deloitte LLP, who has expressed an unqualified opinion thereon, and released on 9 June 2016.

Stenprop's integrated annual report 2016 aims to:

- ensure delivery of quality information to stakeholders;
- promote a consistent and efficient approach to reporting;
- enhance accountability to stakeholders; and
- support integrated thinking, decision-making and actions.

Stenprop strives to provide a holistic view of the Company and its subsidiaries ('the Group') in one document and regards this process as a valuable opportunity to engage with its stakeholder groups. We welcome your feedback on this report and any comments can be emailed to **info@stenprop.com**.

Contents

2

Strategic report

34

Governance

46

Annual financial statements

106

Appendices

Company overview

Financial highlights

€1.67
EPRA NAV PER SHARE

10.41 cents
DILUTED ADJUSTED EPRA EARNINGS PER SHARE

6%
INCREASE IN DIVIDEND PER SHARE ON AN ANNUALISED BASIS

7.4%
INCREASE ON THE DILUTED ADJUSTED EPRA EPS FOR 2015

4.70 cents
FINAL DIVIDEND PER SHARE

8.90 cents
TOTAL DIVIDENDS PER SHARE PAID IN YEAR

Performance highlights

EPRA NET ASSET VALUE
€474.0 million
as at 31 MARCH 2016

SHARES IN ISSUE
283.0 million
as at 31 MARCH 2016

TOTAL DEBT
€460.1 million
as at 31 MARCH 2016*

PORTFOLIO VALUE
€891.0 million
as at 31 MARCH 2016*

LTV REDUCED TO
51.6%*
(31 MARCH 2015: 53.8%)

NUMBER OF PROPERTIES
55
as at 31 MARCH 2016*

* *Including share of associates and joint ventures.*

Chairman's report

I am pleased to present to you this integrated annual report that reflects how Stenprop has progressed during the past 12 months after the transformation of the Company in the previous financial year.

Stenprop has delivered a strong set of results with full year diluted adjusted EPRA earnings per share of 10.41 cents (2015: 9,69 cents) from which dividends totalling 8.9 cents per share have been paid. Diluted adjusted earnings grew by 7.4% against the prior year with dividends increasing by 6% per share on an annualised basis. These results have been achieved through a combination of acquisitions and the active management of Stenprop's high quality, low risk portfolio of properties in the United Kingdom, Germany and Switzerland.

The property markets in which we are invested are likely to show some volatility as a result of the United Kingdom's decision to leave the European Union. I am confident that our excellent and experienced management team will be able to satisfactorily deal with potential changes in the markets.

Stenprop continues to employ 'best practice' in terms of corporate governance. The attached audit committee and risk committee reports deal with the management of risk and the various accounting and audit issues the committees are required to deal with. It is comforting to note that gearing levels have been reduced from 53.8% last year to 51.6% at the end of March 2016.

The Company is committed to enhancing shareholder value by focusing on maintaining a high quality sustainable portfolio and following a programme of targeted asset management. Prior to the UK's decision to leave the European Union, the Company was forecasting earnings and dividend growth of at least 1.5% per annum over the next three years before acquisitions. Following the decision to leave, the immediate impact of a weaker Sterling will be to depress earnings, expressed in Euros, from our UK assets. Whether this currency pressure will continue is uncertain, as is the impact of Brexit to the UK economy as a whole, and Stenprop's forecast earnings will be reviewed accordingly as the impact of Brexit becomes clearer. We comment in more detail on the outlook for Stenprop post Brexit on page 23 and in the Chief Financial Officer's report on page 29.

I express my gratitude to the board and management for their contribution to the excellent results achieved for this past year. I would like to thank David Brown, who has retired from the board, for his contribution to the Company and welcome Peter Hughes in his place.

Gerald Leissner
Non-executive Chairman

Chief Executive Officer's report

Stenprop has delivered a strong set of results over the period. We have increased EPRA earnings per share, dividends per share and NAV per share whilst steadily bringing our loan to value ratio down toward our fifty percent target.

In October 2015, Stenprop transferred its listing to the Main Board of the JSE and subsequently was admitted as a member of the JSE South African Listed Property Index ('SAPY'). Achieving these objectives is another step in improving the liquidity of our shares.

During the year we acquired two retail centres in central Berlin, a city which we believe is currently undervalued and in the process of steadily re-rating. The first acquisition was the Hermann Quartier retail centre at a purchase price of €22.7 million in August 2015. The second Berlin acquisition was the Victoria Centre for €22.0 million on 24 November 2015. In May 2015 we also acquired a 50% interest in 25 Argyll Street, a multi-let office building located in London's West End, based on a valuation of the property of £75 million. We have disposed of one non-core asset in the year, a distribution warehouse in Leigh, North West England, at a sale price of £5.4 million.

During the period we refinanced the bulk of our UK portfolio thereby reducing overall interest costs, lengthening fixed rate debt maturities and eliminating any requirement for capital repayments. In the forthcoming year we plan to refinance the whole of our Swiss portfolio which matures in March 2017 on a similar basis.

Financial results and dividends

Diluted adjusted EPRA earnings for the year increased 7.4% to 10.41 cents per share on revenue of €39.6 million and profit after taxation of €49.6 million.

At year-end the translation of our Sterling net assets was negatively impacted by the relative weakening of Sterling. However, strong trading combined with an increase in our portfolio valuation resulted in a full year EPRA NAV per share of €1.67, a small increase on the 2015 EPRA NAV per share of €1.65.

Following the year-end a cash dividend of 4.70 cents per share was paid on 29 July 2016. This took the total dividend for the year to 8.90 cents equating to 86% of our diluted adjusted EPRA earnings of 10.41 cents per share. The total 2016 dividend increased by 6% per share on an annualised basis. Our objective is to continue to declare and pay a dividend every six months on a similar pay-out ratio.

Strategy

The strategy of the Group is to enhance and protect shareholder value by delivering sustainable growth in earnings, distributions and net asset value through the active asset management of a carefully selected, high quality, sustainable and low risk portfolio of European property assets.

Before the Brexit referendum vote we were confident that without raising any new capital for acquisitions we could grow the earnings and distributions per share by at least 1.5% per annum through strategic asset management of the existing portfolio including refinancing, the sale of mature assets and recycling proceeds into new opportunities as well as general constant refining and management of the existing portfolio. On top of that our strategy was to look for select strategic acquisitions and raise capital to implement these as they arose. We were confident of adding another 0.5% to 1% of earnings and dividend growth from these targeted earnings-enhancing acquisitions. Following the Brexit vote, our assumptions will need to be reviewed over time once markets have been given time to absorb and react to the new environment. The decline of Sterling will negatively impact earnings and NAV if it remains at current levels. Property prices in the UK could also be negatively impacted. However, at this stage it is too early to give any realistic view on the impact. The primary factor in these times is to be sure that Stenprop can withstand any headwinds that could arise as a result of events and take advantage of opportunities. In this regard we are pleased to confirm that our portfolios are well let and well diversified. We have significant head room on our banking covenants to withstand a material change in values. We are well placed to ride through this turbulence and to potentially take advantage of opportunities that may arise out of it.

We remain focused on the UK, Germany and Switzerland and are diversified across a range of property sectors. This diversification has also provided the Company with a natural spread of currencies in times of fairly extreme movements in currencies. Our policy is not to hedge currencies but to maintain diverse exposure.

Stenprop is a long-term business focused on delivering continuing sustainable growth. We are actively working the portfolio to secure rental growth and value enhancement whilst also monitoring all of our assets to implement our strategy of recycling mature and non-core assets to further improve portfolio earnings and long-term value.

Stenprop remains in a position to take advantage of acquisition opportunities as they arise. Acquisitions will be undertaken selectively and must be earnings-enhancing whilst also maintaining the quality of the portfolio and sustainability of earnings.

Our medium-term strategy continues to target a debt to equity ratio of approximately 50% with interest rates fixed for five years, dependent on underlying specifics. The low-interest rate environment is anticipated to continue for the medium term and we expect to secure favourable all-in interest rates, with no capital repayments, on refinancing. This is particularly relevant for loans pertaining to our Swiss portfolio and the Bleichenhof property in Hamburg, which expire in March 2017 and December 2016 respectively.

Following the transformational Stenham Transaction which completed in October 2014, and the accompanying internalisation of management, we remain focused on the continued enhancement of our operational processes.

Outlook

Despite the continued macro global uncertainties, most recently evidenced by the impact of the referendum vote for the UK to leave the European Union, we look forward with confidence. Our business is resilient and our portfolio is largely fully let to quality occupiers on leases generally over five years in length and financed with loan to values of approximately 50%.

We are currently exploring opportunities to improve the liquidity of our shares, including a limited programme of share buy-backs when shares trade significantly below NAV. This programme commenced with the repurchase of shares for an aggregate purchase price of €1.8 million at an average price per share of €1.337 in June 2016. This price compares favourably with our current NAV per share and shows an effective EPRA earnings return to shareholders of 7.8%, versus 6.2% based on diluted adjusted EPRA earnings of 10.41 cents and the year-end EPRA NAV of €1.67.

We would like to thank our staff for their commitment and hard work during the year. Our thanks also goes to Gerald Leissner, our non-executive chairman, and our other non-executive board members as well as our shareholders for their continued support.

Paul Arenson
Chief Executive Officer

Strategy and business model

Our strategy

Stenprop's strategy is to enhance and protect shareholder value by delivering sustainable growth in earnings, distributions and net asset value through the active asset management of a carefully selected, high quality, sustainable and low risk portfolio of European property assets.

Business model

Our business model looks at how the Group's strategy flows through to measurable outcomes, through the incorporation of the six capital inputs and our value-enhancing business activities:

KEY VALUE CREATING BUSINESS ACTIVITIES

Preserving and recycling capital

Continuous monitoring of the portfolio for early identification of mature and non-core assets which can be recycled into new assets where value and earnings can be enhanced.

Effective debt management

Optimising terms of debt including interest rates, maturity terms and covenants, whilst minimising capital repayments

DELIVERING SUSTAINABLE GROWTH IN EARNINGS, DISTRIBUTIONS AND NET ASSET VALUE

Disciplined acquisition strategy

Lead an appropriate, targeted and selective approach to acquisitions which deliver enhancing and sustainable earnings, whilst preserving the high quality of the portfolio.

Active asset management

Actively working the portfolio to secure rental growth and value enhancement, through exploiting opportunities for new lettings, lease renewals, refurbishments and the repositioning of assets

Raising capital

Carefully analyse capital market conditions to ensure any issue of shares will enhance earnings and shareholder value

Our strategy is implemented by an experienced and professional team focused on delivering best practice, strong risk management and a critical awareness of potential threats and opportunities to value creation. We operate robust and efficient property and financial reporting systems and ensure our core values of excellence, value creation and integrity are enshrined in everything that we do. We focus on financial, intellectual, manufactured, natural, human, social and relationship capitals, which are allocated in our day to day business operations to generate the highest risk-adjusted return. The Group's objectives are linked to measurable outcomes below in relation to the key capital resources:

Objectives	Key capital resources	Measurable outcomes
To grow earnings.	**Financial Capital** Ability of the Company to raise funding at an optimal cost and the appropriate investing thereof.	Diluted adjusted EPRA EPS growth of 7.4% for the year ended 31 March 2016. Earnings yield of 6.2% on the EPRA NAV of €1.67.
To target a dividend yield of 6% on the listing price of €1.37, with dividends growing over time.	**Intellectual Capital** The Company's ethos and strategy combined with the experience of the decision makers is critical to the Company's ability to enhance value and grow the business.	Delivered distributions of 8.9 cents per share during the year, representing a 6% increase on an annualised basis. Annualised dividend yield of 5.2% on EPRA NAV of €1.67 (2015: 6.12% on listing price of €1.37).
To maintain and grow the NAV per share by focusing on maintaining a high quality sustainable portfolio.	**Manufactured Capital** Capital expenditure invested in our assets to generate cash flow from properties and rental income which will result in capital appreciation.	NAV growth of 1.2% for the year ended 31 March 2016.
To refinance bank debt in order to extend our debt maturity profile, remove amortisation, decrease overall interest costs and target an average loan to value ratio ('LTV') of 50%.	**Natural Capital** The active asset management of the Company's portfolio to create value through letting, operating and developing.	The portfolio's average LTV decreased from 53.8% at 31 March 2015 to 51.6% at 31 March 2016. This includes the Group's share of associates and joint ventures. Amortisation payments decreased by 36.7% from €9.8 million to €6.2 million during the year under review.
To provide liquidity to shareholders.	**Human Capital** The combined experience, knowledge and skill of our employees and partners to deliver a sustained track record and commitment to our strategy.	The Company migrated to the Main Board of the JSE in October 2015.
To maintain our reputation and good investor relations.	**Social and Relationship Capital** To behave as an exemplary corporate citizen and maintain relationships with stakeholders through careful assessment of our economic, social and environmental impact.	The Company's strategy (and success in achieving this strategy) is clearly communicated to stakeholders. Stakeholder engagement. Compliant with listing requirements and King III.

Engagement with key stakeholders

The internal and external relationships with our stakeholders have a direct impact on the Group's ability to achieve our strategy to enhance and protect shareholder value.

investors

- Growth in earnings, distributions and net asset value
- Manage reputation and expectations through investor relations
- Explore target led approach to new opportunities
- Cost management
- Analysis and interpretation of global economic and market conditions and the regulatory environment

lenders

- Sustainable cash flows
- Low gearing ratio
- Risk management and internal financial controls
- Compliance with lending covenants

business partners

- Aligned interests and values
- Provision of products and services to enhance our ability to meet our business objectives
- Sustainable business practices and appropriate risk management
- Transparency
- Good corporate governance, code of conduct and ethics

employees

- Motivated staff
- Recognise that experience and ethos are central to delivering on our strategic objectives

Stenprop has identified its stakeholders as groups or individuals who have the potential to affect, or be affected, by the Group and its operations. Our key drivers refer to those significant areas that impact the Group's ability to enhance and protect shareholder value in the foreseeable future. The identification of these key drivers flows from recognising and responding to the interests and expectations of the Company's stakeholders and this process supports Stenprop's commitment to integrated reporting and the application of the principles of the frameworks in which the Group operates, such as the King III code of corporate governance. Key stakeholders and key drivers which the Company believes are critical to meeting our strategic objectives and sustaining future growth, have been identified on the previous page.

It is the board's priority to ensure that stakeholders are actively engaged. This is important to ensure:

- that the Company's strategy (and success in achieving this strategy) is clearly communicated;
- that management has an up to date understanding of the operating environment in order to identify and assess risks facing the Company and ensure that resources are appropriately allocated to mitigate these risks; and
- that trusting relationships are built and that disputes, should they arise, are resolved as effectively, efficiently and expeditiously as possible.

The activities undertaken as part of the stakeholder engagement process occur through the normal course of business throughout the year. The quality of our relationship with our stakeholders is continuously assessed and addressed through our engagement processes.

Risk management

A risk is an event or condition that, if it occurs, could have a negative effect on the business. Risk management is the process of identifying these potential events or conditions, assessing, managing and monitoring them together with the adequacy and effectiveness of any controls or preventive measures and reporting on those risks and their residual impact on the business, all in accordance with the level of risk that the board is willing to tolerate. The aim of the risk management process is to achieve an appropriate balance between the potential adverse impact of these risks on the business and the pursuit of the Company's strategic objectives, remaining a competitive business and creating value. With this in mind the board has overall responsibility for determining the risk appetite of the Company and for the adoption and oversight of the risk management plan. The risk management plan adopted by the Company is carried out by the management team and is subject to periodic review by the risk committee and board of directors.

Stenprop's five-step risk management plan

Five-step risk management process

1 IDENTIFY

Risk identification is supervised by the executive directors and senior staff members but involves every individual staff member in the Group to increase the probability of identifying or anticipating unpredictable risks in the changing environment

2 ASSESS

All risks identified are assessed on a continual basis. They are awarded an inherent risk rating which may lead to the implementation of controls/ actions to mitigate them. Risks are then assessed and awarded a residual risk rating after considering the adequacy and effectiveness of such controls, the financial and non-financial impact, as well as the probability of occurrence of a risk.

3 MANAGE

Identified risks can be avoided, transferred, accepted or mitigated. Decisions and actions are recorded and identified weaknesses are highlighted and rectified to bring the risk back within the acceptable limit.

4 MONITOR

Risks and the effectiveness of the corresponding actions to manage these risks are monitored on an ongoing basis.

5 REPORT

Significant risks, key controls, details of risk management decisions and all relevant management actions implemented as part of the risk assessment process, are reported to the risk committee and thereafter presented to the board on a quarterly basis for their review and approval.

Appropriate internal risk management and control systems are in place including: a strong management structure to facilitate effective decision-making; ongoing review of key performance indicators; and consistent update of forecasts and review of performance against budgets. Quarterly and annual figures are produced in accordance with stringent controls which specifically identify movements in valuations and variances in income and expenses. Data processing is electronic. Back-up and recovery plans to store and restore data are continuously monitored and upgraded. The most significant risks faced by Stenprop are detailed in the risk matrix on the following page.

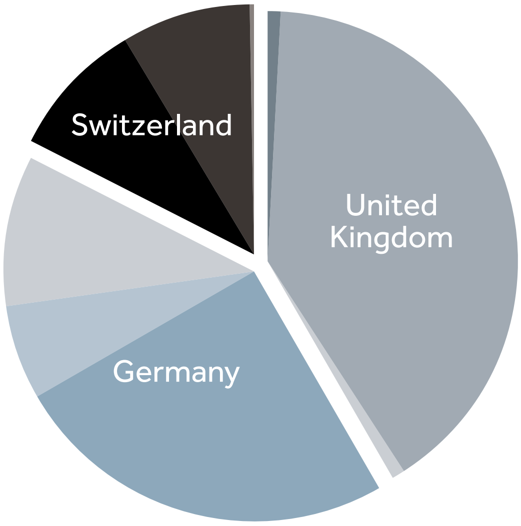
	Risk	Business consequence	Controls and mitigating factors
STRATEGIC RISK	• Insufficient consideration of, and inadequate response to, industry and market changes	• Inability to attain strategic objectives • Financial impact (decline in earnings and net asset value) • Reputational impact (decline in share price) • Impact on dividend policy	• Monitoring of macro-economic environment and property trends • Research • Ongoing review of strategy and assumptions made
FINANCIAL	• Economic decline and market changes	• Decrease in property values • Pressure on cash flows • Potential difficulty in meeting bank covenants • Reduced investor demand and decline in share price	• Development and review of appropriate growth plan • Effective forecasting and scenario planning, including the maintenance of appropriate liquidity levels • Effective diversification (including size, geography, sector, tenant mix and foreign currencies). • Debt facilities are secured in the currency of the related investment to limit foreign exchange exposure
	• Inability to raise adequate capital and debt funding	• Increased cost of borrowing • Reduced flexibility to take advantage of opportunities	• Continual monitoring of working capital requirements and capital market trends • Regular review of credit exposure and the impact of adverse foreign exchange movements • Regular and detailed cash flow reporting • Sustainable business model which can withstand capital market dislocation • Conservative gearing policy • Maintaining strong relationships with top-rated financial institutions and investors through a solid track record at achieving strategy • Staggered maturities of facilities and early refinancing
OPERATIONAL	• Excessive reliance on key service providers	• Interruption to effective operation of business leading to delayed reporting	• Implementation and monitoring of appropriate service level agreements. Effective management of business relationships • Comprehensive system of internal controls • Adequate diversification of service providers
	• Tenancy defaults/ failure to secure good tenancies	• Pressure on cash flows and property values	• Diversification of tenants and comprehensive due diligence of key tenants • Active asset management • Transparent and open communication with tenants
	• Loss of a group of key personnel	• Loss of experience and knowledge leading to ineffective business decisions and poor performance • Reputational impact (decline in share price)	• Implementation of effective reward and recognition schemes • Involving employees in the decisions affecting their areas of responsibility and incentivisation by performance-based reward • Succession planning
	• Loss of data/IT failure	• Loss of data leading to ineffective operations and poor performance • Unauthorised access to sensitive information	• Back up of historical data • Management is in the process of developing a business continuity plan and disaster recovery plan which will be carefully monitored • Periodic auditing and testing of IT systems
COMPLIANCE | LEGAL | TAX	• Failure to meet/ respond to changes in regulatory environment and legislative requirements	• Breaches of regulations or requirements resulting in financial damage and increased scrutiny from regulators • Adverse publicity and reputational impact	• Appointment of experienced corporate advisers, sponsors, legal advisers and tax professionals in all jurisdictions • Proactive monitoring of changes in market practices and legislation • Continuous monitoring and review of business practices to ensure compliance
	• Health and safety risks	• Loss or injury to employees or users of the Group's premises • Reputational impact • Financial damage	• Active asset management • Compliance monitoring and advice both internally and by external consultants

Market and property overview

Introduction

The Group's focus is on property investment in the United Kingdom, Germany and Switzerland. Its objective is to cultivate a diversified portfolio investing partly in core growth areas and partly in higher-yielding assets with long leases and sustainable income. We have a particular focus on commercial and retail property let to high-quality occupiers on long leases. Stenprop does not intend to pursue development exposure other than value-add asset management-related development of existing assets to protect and improve capital values.

Portfolio split by country and market segment (on market valuation)*



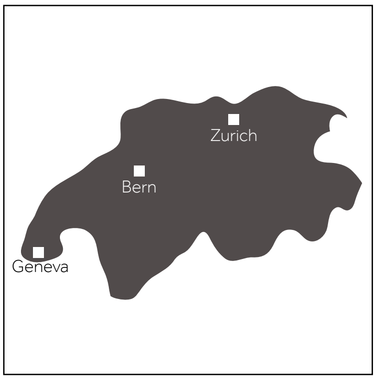
Country	Properties	Value
United Kingdom	14	€373.2 million
Germany	28	€362.1 million
Switzerland	13	€155.7 million
Total	55	€891.0 million

** Includes Stenprop's share of joint ventures and associates.*

United Kingdom	
14 properties	
Portfolio value: €373.2 million	
1.1%	Retail
39.8%	Office
1.0%	Other
41.9%	Total

Germany	
28 properties	
Portfolio value: €362.1 million	
24.9%	Retail
6.0%	Office
9.7%	Other
40.6%	Total

Switzerland	
13 properties	
Portfolio value: €155.7 million	
9.0%	Retail
8.4%	Office
0.1%	Other
17.5%	Total



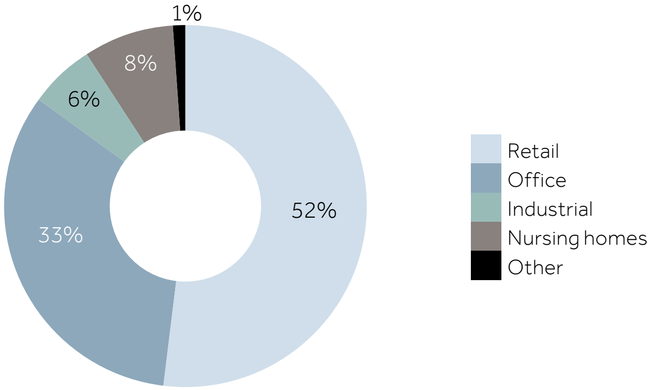
Property profile

Portfolio profile by sector*

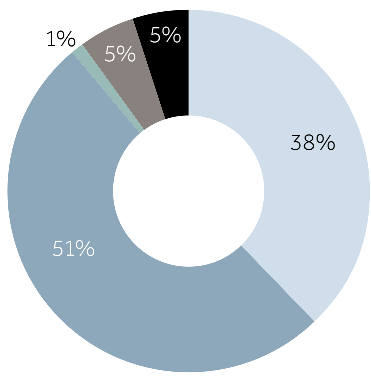
	Asset value as % of portfolio	Market value € million	Lettable area m²	Occupancy (by lettable area) %	Annualised gross rental income € million	Weighted average unexpired lease term (WAULT) (by revenue) Years	Weighted average unexpired lease term (WAULT) (by area) Years	Rental per m²** €/m²
Office	54.2	482.5	82,681	97.0	26.7	6.3	5.4	322.9
Retail	35.0	312.3	135,289	92.3	20.1	7.0	6.6	148.6
Industrial	1.0	8.7	14,313	100.0	0.7	4.4	4.4	48.9
Nursing Homes	3.8	34.2	19,330	100.0	2.8	14.7	11.5	144.9
Other	6.0	53.3	2,460	91.0	2.5	4.4	3.7	1,016.3
Total	100.0	891.0	254,073	94.8	52.8	6.9	6.4	207.8

* *Includes Stenprop's share of joint ventures and associates.*
** *The calculation for the rental per square meter includes Bleichenhof car park for which the area is not included in the external valuations. This treatment is in line with industry practice.*

Sectoral profile by lettable area

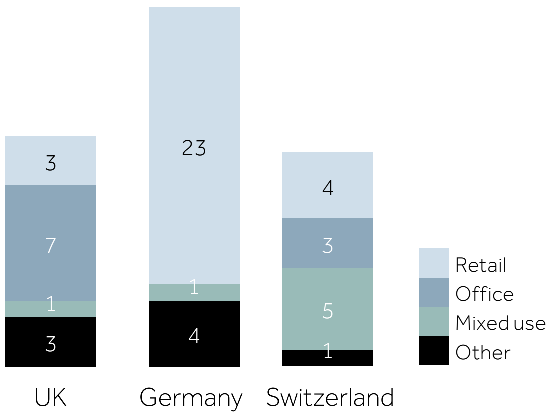


Sectoral profile by rental income

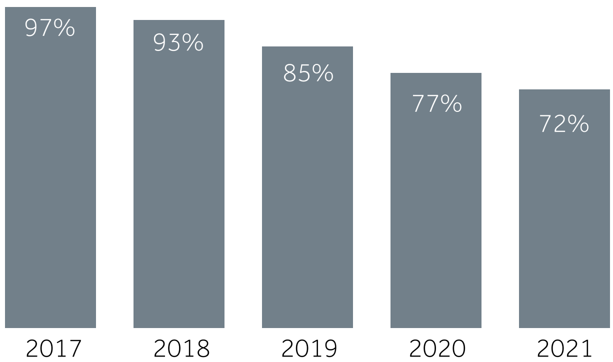


Property usage by geographical profile

(number of properties)



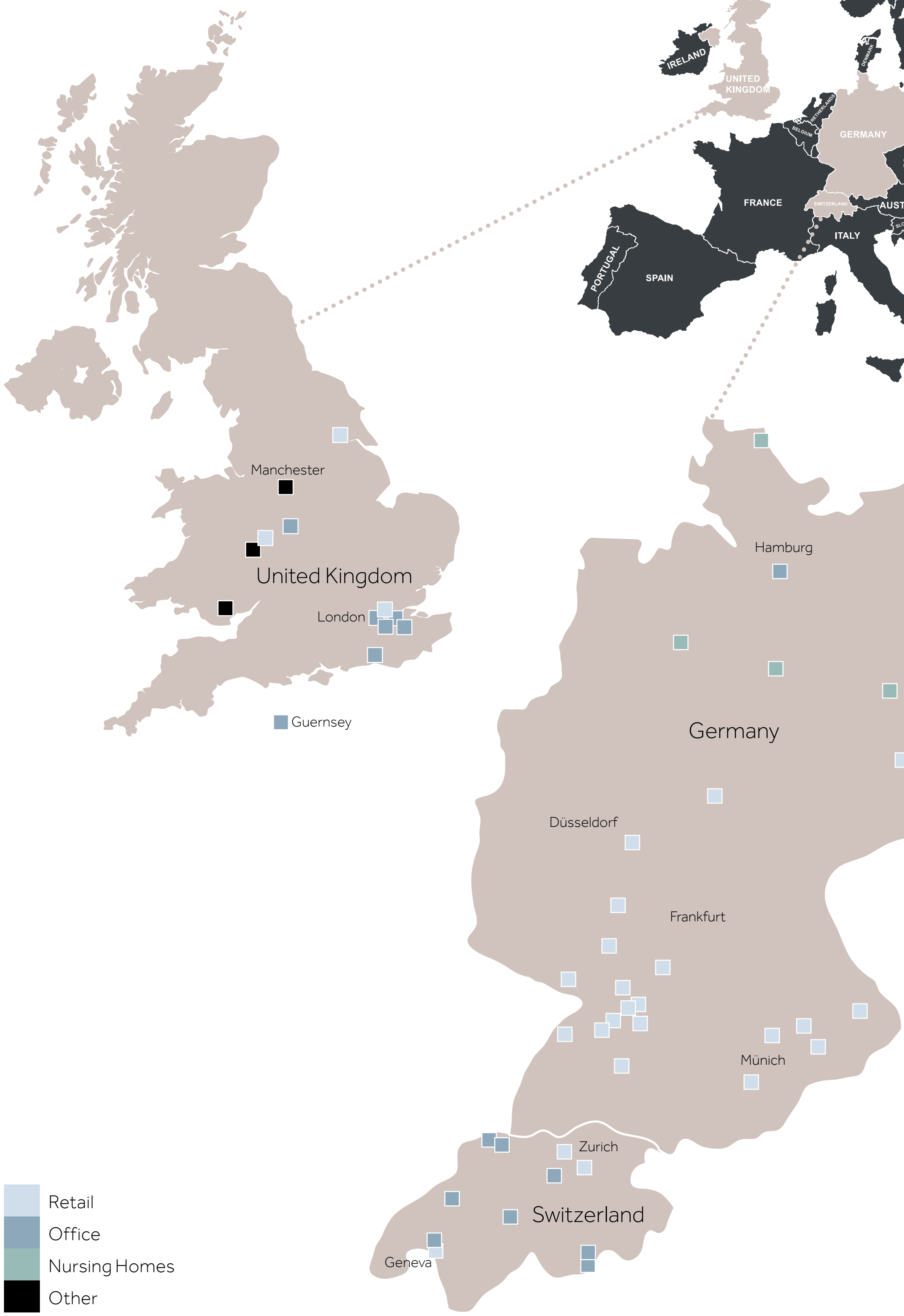
Contracted rent*



* *Based upon annualised gross rental income of €42.0 million (excludes Stenprop's share of joint ventures and associates).*

Market and property overview continued

Geographical profile

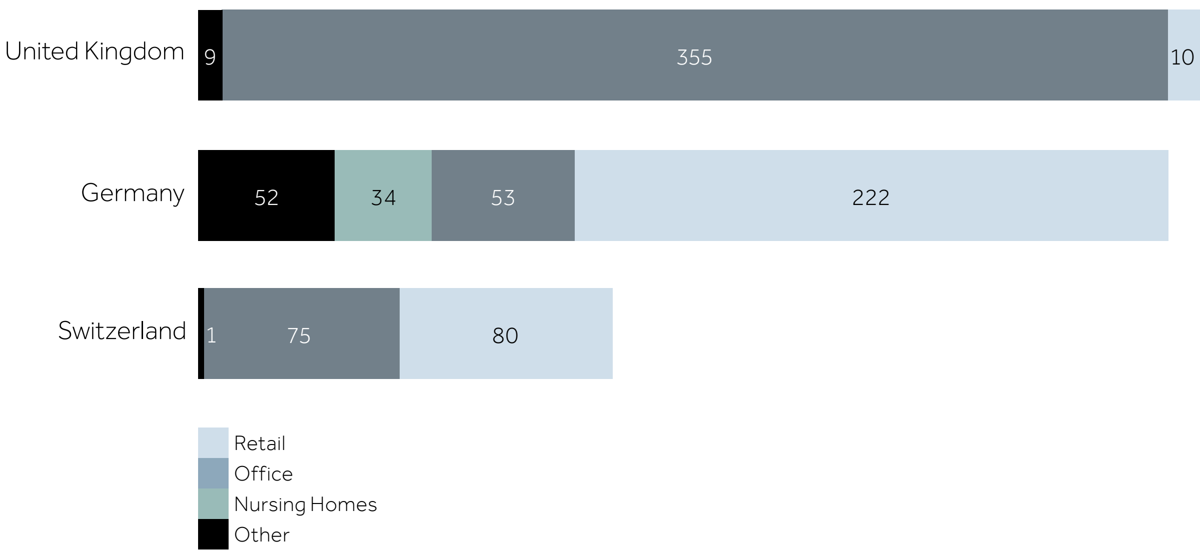


Property portfolio information

Combined portfolio

	Percentage of portfolio by market value	Market value 31 March 2016 (€ million)	Properties	Area m²	Annualised gross rental income (€ million)	Net initial yield (weighted average)
United Kingdom	36.1	321.5	13	63,506	19.0	5.32
Germany	28.3	252.6	23	92,041	14.5	5.18
Switzerland	17.5	155.7	13	48,799	8.5	4.51
Sub-total	81.9	729.8	49	204,346	42.0	5.10
Share of joint ventures and associates						
United Kingdom	5.8	51.7	1	3,004	2.3	4.15
Germany	12.3	109.5	5	46,723	8.5	6.36
Total	100.0	891.0	55	254,073	52.8	5.20

Property value (€ million)*



** Includes Stenprop's share of joint ventures and associates*

Market and property overview continued

Property portfolio information continued

Portfolio valuation and debt summary

Property/Portfolio	Effective percentage ownership (%)	Loan value (€)	Property value (€)	Gearing (%) (LTV)
United Kingdom				
Euston House	100	(34,846,362)	96,833,409	36
Pilgrim Street	100	(46,879,365)	104,387,250	45
Hollandbay Portfolio	100	(5,445,141)	9,749,137	56
ApexHi Portfolio	100	(10,577,908)	31,493,317	34
Trafalgar Court	100	(37,959,000)	79,068,597	48
UK subtotal		(135,707,776)	321,531,710	42
Switzerland				
Kantone Portfolio	100	(46,786,905)	83,249,047	56
Polo Portfolio	100	(22,638,825)	39,771,156	57
Other Suisse Properties	100	(17,592,276)	32,660,278	54
Swiss subtotal		(87,018,006)	155,680,481	56
Germany				
Bikemax Portfolio	100	(15,100,000)	25,100,000	60
Aldi Portfolio	100	(15,678,750)	32,485,000	48
Bleichenhof	94.90	(84,937,000)	123,700,000	69
Neukölln	100	(9,000,000)	17,200,000	52
Hermann Quartier	100	(11,050,000)	22,900,000	48
Victoria Centre	100	(10,300,000)	31,225,000	33
German subtotal		(146,065,750)	252,610,000	58
Associates and joint ventures				
Argyll Street	50	(23,724,375)	51,687,505	46
Nova Eventis	28.42	(44,379,905)	75,313,000	59
Care Homes Portfolio	100	(23,221,602)	34,170,000	68
Portfolio total		(460,117,415)	890,992,695	52

Gross rental income**

	Annualised gross rental (€m)	Area m^2	Average rent per m^2 (€)	Weighted average unexpired lease term ('WAULT') by rental (years)	Voids by ERV %	Indexation and fixed increases %
UK	**21.3**	**66,510**	**319**	**6.5**	**1.7**	**Rent reviews**
Germany	**23.0**	**138,764**	**165**	**7.6**	**2.6**	**Benchmarked to CPI**
Switzerland	**8.5**	**48,799**	**175**	**5.9**	**17.3**	**Benchmarked to CPI**
Total	**52.8**	**254,073**	**207**	**6.9**	**5.2**	

Business segment and valuation movement**

Local currency	**Market value 1 April 2015* (m)**	**Market value 31 March 2016 (m)**	**Valuation movement in year (m)**	**Movement %**
Stenprop UK (£)	**278.5**	**295.0**	**16.5**	**5.9**
Stenprop Germany (€)	**347.9**	**362.0**	**14.1**	**4.1**
Stenprop Switzerland (CHF)	**175.0**	**170.3**	**(4.7)**	**(2.7)**

Euros	**Market value 1 April 2015* (m)**	**Market value 31 March 2016 (m)**	**Valuation movement in year (m)**	**Movement %**
Stenprop UK (€)	**381.9**	**373.2**	**(8.7)**	**(2.3)**
Stenprop Germany (€)	**347.9**	**362.0**	**14.1**	**4.1**
Stenprop Switzerland (€)	**167.2**	**155.7**	**(11.5)**	**(6.9)**
	897.1	**891.0**	**(6.1)**	**(0.7)**

Exchange rates	***31 March 2015***	***31 March 2016***	***Movement***	***%***
CHF:EUR	*0.9557*	*0.9147*	*(0.0410)*	*(4.3)*
EUR:GBP	*1.3672*	*1.2653*	*(0.1019)*	*(7.5)*

* *Market values of partially owned properties are shown at Stenprop's proportionate share of the total (constant between periods).*
For comparative purposes, the 1 April 2015 UK market value includes Stenprop's 50% share of Argyll Street (purchased for £37.5 million/€52.5 million on 20 May 2015). The Germany comparative includes Hermann (purchased for €22.7 million on 24 August 2015) and Victoria (purchased for €22.0 million on 24 November 2015) shopping centres in Berlin.

** *Includes Stenprop's share of joint ventures and associates.*

Rental escalation profile

Stenprop operates in countries which are currently facing very low inflation rates. The annual inflation rate during the 2015 calendar year was 0.20% for the UK, 0.28% for Germany and -1.31% for Switzerland. Rental escalation clauses vary across the portfolio. In the UK, a majority of leases are subject to periodic upwards-only rent reviews, at different stages of the tenancy. Leases in the German and Swiss properties are generally adjusted for CPI with a hurdle rate before an increase can be applied, with the exception of the Aldi portfolio, which sees increases of 1.66% annually. During the past year, no rent reviews fell due in the UK. Rents from German properties saw an average increase of 0.34%, mostly from the fixed Aldi increase, and the average Swiss rent rise was 0.04%.

Market and property overview continued

Tenancy analysis

Tenant profile

	Number of tenants	Annual rental income (%)
UK	**28**	**40**
Germany	**288**	**44**
Switzerland	**126**	**16**
	442	**100**

15 tenants contribute approximately 47% of the total portfolio gross rental

Top 15 tenancies

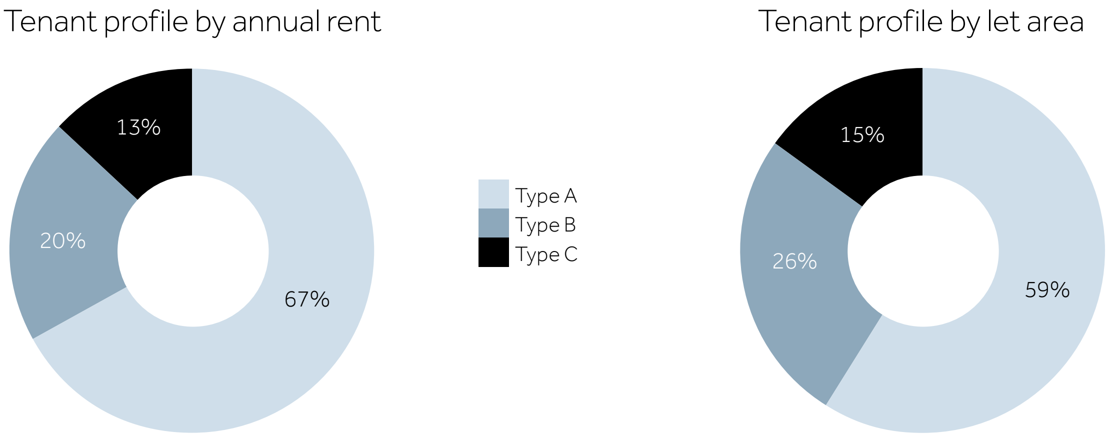
Tenant	Property/investment	Location	% of rental income
Northern Trust (Gsy) Limited	Trafalgar Court	Guernsey	**7.48**
British Land City Offices Limited	Pilgrim Street	London	**5.37**
Bechtel Limited	Pilgrim Street	London	**4.98**
Apcoa Autoparking GmbH	Bleichenhof	Hamburg	**4.74**
Aldi	Consists of 14 properties	Germany	**4.11**
Bike + Outdoor Co	Consists of 5 properties	Germany	**2.96**
Learning Tree International Limited	Euston House	London	**2.88**
Close Brothers Properties Guernsey Limited	Trafalgar Court	Guernsey	**2.56**
Top Tip, Division der Coop Basel	Polo – Altendorf	Switzerland	**2.33**
Network Rail	Euston House	London	**2.14**
Lipomed AG	Polo – Arlesheim	Switzerland	**1.74**
Diako – Soziale Einrichtungen GmbH	Kappeln – Care Home	Germany	**1.54**
Kaufland	Victoria Centre	Berlin	**1.50**
Thames Water Utilities Limited	GGP1 Portfolio	UK	**1.49**
Compagnie Financière Michelin SA	Kantone – Granges-Paccot	Switzerland	**1.44**
			47.26

The weighted average unexpired lease term of the top 15 tenants is 8.1 years

The weighted average unexpired lease term of the portfolio is 6.9* years

Tenant profile

Stenprop's tenants are classified into three groups, as follows:



Type A: *Large tenants with a national presence or multi-national tenants, government and major franchisees.*
Type B: *Nationally recognised tenants, listed tenants, franchisees, and medium to large professional firms.*
Type C: *All other tenants.*
** Includes Stenprop's share of joint ventures and associates.*

Flagship properties

Flagship properties represent 60% of the total market value of the portfolio

Euston House, London

- Constructed in 1933
- Historic headquarters of the British Rail Property Board
- Offices built around a central light-well over basement, ground and eight upper floors
- Occupies an island site of 0.18 hectares (0.45 acres) directly opposite Euston Station
- Located between two significant nodes of regeneration
- Kings Cross St Pancras is approximately 500m to the east of the property

Use: Office	
Market value	€96.8 million
Current rent per annum	€4.1 million
Number of tenants	6
WAULT by rental (years)	5.9
Lettable area (m^2)	10,103

Argyll Street, London

- Dating back to the early 20th century, 25 Argyll Street was redeveloped behind an original Grade II listed Portland stone façade that characterises Regent Street.
- The property is situated opposite the Apple Store on Regent Street. It comprises office accommodation arranged over a basement, ground and six upper floors.
- A substantial refurbishment of the building has been undertaken across the 1st, 4th and 5th floors including the reception and other common parts.
- The property counts Spotify, Live Nation and H&M as some of its tenants.

Use: Office	
Market value	€103.4 million
Current rent per annum*	€2.3 million
Number of tenants	4
WAULT by rental (years)	3.7
Lettable area (m^2)	6,008

** In respect of Stenprop's 50% interest*

Pilgrim Street, London

- Built in 2001
- Office building with ground and six upper floors
- Small retail unit on ground floor
- 12 parking spaces at basement level – accessed via a car lift
- Located 250m from St Paul's Cathedral and 25m from Fleet Street, Blackfriars City Thames link station
- Area is a well-established office location and has benefited from a number of landmark buildings in recent years which have attracted the City's leading occupiers
- Proposed 2017 completion of Crossrail to further benefit the area

Use: Office	
Market value	€104.4 million
Current rent per annum	€5.5 million
Number of tenants	3
WAULT by rental (years)	5.1
Lettable area (m^2)	9,706

Bleichenhof, Hamburg

- Constructed in 1956 and substantially refurbished in 1987
- Mixed use in approximately three equal parts comprising offices, retail, and public car parking
- Car park let to Apcoa – the primary public parking in Hamburg city centre
- Six and a half floors with retail on the ground floor and offices on the floors above
- Surrounded by canal on one side and two well-known retail streets on the other sides
- Large scale city centre regeneration project taking place on adjoining property
- Rear part of Bleichenhof also to be redeveloped over the next two years to benefit from marriage value of adjoining development

Mixed use: Office,retail and other	
Market value	€123.7 million
Current rent per annum	€6.0 million
Number of tenants	42
WAULT by rental (years)	4.4
Lettable area (m²)*	20,067

** Excludes car park*

Trafalgar Court, Guernsey

- Newly built in 2002
- Freehold office building with ground and three upper floors with unrestricted sea views
- 517 parking spaces in separate multi-storey car park
- Located within a 15-minute walk from the town centre of St Peter Port, Guernsey
- The immediate area is a well-established office location and counts ABN Amro, Kleinwort Benson, Intertrust, Artemis Fund Managers, De Patron Fund Management and Carey Olsen as local occupiers
- There is a 5,500 square meter Waitrose supermarket along with its own dedicated car park to the rear of the property

Use: Office	
Market value	€79.1 million
Current rent per annum	€5.3 million
Number of tenants	2
WAULT by rental (years)	11.1
Lettable area (m²)	10,565

Nova Eventis, Leipzig

- Large regional shopping centre with 200 retail units and 7,000 car parking spaces, currently being marketed for sale
- Well located on a motorway adjacent to an IKEA superstore and a Hoffner store
- An extensive re-letting and lease extension program has been underway over the past three years
- This programme coincides with the 10-year anniversary of the centre's reopening following an extensive re-build and extension
- The success of the re-letting and lease extension program ensures a long-term, sustainable and secured future income stream
- The centre is almost fully let with an occupancy level of 96.4%

Use: Retail	
Market value	€265.0 million
Current rent per annum*	€5.7 million
Number of tenants	187
WAULT by rental (years)	5.8
Lettable area (m²)	96,387

** In respect of Stenprop's 28% interest.*

Performance review

United Kingdom

Market environment prior to Brexit

The UK economy grew by just under 3% in 2014 although this eased to 2.2% in 2015 as global growth moderated. Unemployment decreased to pre-crisis levels of around 5% from 5.5% last year.

The rate of consumer price inflation (CPI) remained close to 0% based largely on weak commodity prices. At year end the Bank of England interest rate was 0.5%, a historically low level which has been in place since March 2009.

Global capital continued to focus on London's property market leading to a robust level of activity through 2015 and into Q1 2016. Commercial property transactions for the whole of 2015 totalled £14.7 billion, which whilst 10% down on the total for 2014, was 21% up on the five-year average.

Tenant take-up for 2015 totalled 10.2 million square feet, which despite being a bit of a drop off from the last two years, was still 5% above the long-term average. The first quarter of 2016 saw take-up of 3.1 million square feet which was marginally below the 10-year average. One of the themes of this cycle up to now has been occupiers' willingness to commit to space early and pre-let.

With three consecutive years of strong tenant take-up, availability of space has decreased substantially and is almost as low now as it was at the trough of the last supply cycle. This has led to substantial rental growth in the London office market.

Elsewhere in the UK rental values for prime commercial property increased by 4.1% year on year. This growth was buoyed by strong performance from the office, retail warehousing and industrial sectors with rents sustaining the highest level of growth since 2007.

A combination of yield compression and rising rents led to a 1.6% increase in capital values over the quarter and brought total property returns to 13.8% for the year.

Stenprop's portfolio performance

Stenprop's UK portfolio was independently valued at £295.0 million at 31 March 2016, an increase of 5.9% on a like for like basis over the valuations at 31 March 2015. All properties in the UK are currently fully let.

The significant increase in value reflects the fact that over 59% of the UK portfolio comprises Central London multi-let office buildings.

Stenprop had limited leasing activity across the UK properties over the year as the portfolio was largely fully let. The only significant vacant space was the fourth floor of Euston House which was let on 29 May 2016 (see past year-end business activity below).

Material investment and asset management events

Disposal of Volex Unit, Leigh

This property was acquired as part of the GGP1 portfolio in the Stenham Transaction. In line with the Group's investment strategy of recycling capital out of mature ex-growth properties, the property was sold for £5.37 million in January 2016 reflecting an 8.4% uplift on its 30 September 2015 valuation of £4.95 million.

Acquisition of 25 Argyll Street

On 20 May 2015, the Group acquired a 50% interest in Regent Arcade House Holdings Limited which owns the property known as 25 Argyll Street. The acquisition cost of this interest was £18.9 million which was based on a valuation of the property of £75 million. The property was subsequently refinanced with an interest-only bank loan of £37.5 million at an all-in rate of 2.974% per annum, with a term of five years.

Refinance of Euston House

On 8 May 2015, the Group refinanced the property known as Euston House on favourable terms with a five-year loan to May 2020. The new facility of £27.5 million is interest-only. A five-year interest rate swap agreement was entered into to fix the interest rate at an all-in rate of 3.02% per annum. The previous all-in rate was 4.54%.

Refinance of Pilgrim Street

On 29 May 2015 the Group extended the existing bank loan (which was due to expire in March 2016), on the property known as Pilgrim Street on favourable terms until March 2019. With effect from signature, the loan became interest only. An interest rate swap agreement was entered into to fix the interest rate for the period from the prior termination date, being 23 March 2016, until March 2019, at an all-in rate of 2.90% per annum. The previous swap agreement resulted in an all-in rate of 4.11% until 23 March 2016. The previous all-in rate on the loan was 4.96%.

Post year-end business activity

Refinance of GGP1 and Hollandbay Portfolios

On 29 May 2016, the Group refinanced the 10 properties within the GGP1 portfolio and the Hollandbay portfolio with a five-year loan to May 2021. Previously, the portfolios had separate loans with the same lender. The Hollandbay loan was due to expire on 24 March 2016 and the GGP1 loan during December 2016. The new combined facility of £12.4 million is interest-only. A five-year fixed rate loan was entered into to fix the interest rate at an all-in rate of 3.46%.

4th Floor Letting Euston House

On 19 May 2016 the Group successfully concluded the letting of 11,786 square feet of newly refurbished office space on the 4th Floor of Euston House.

The new tenant entered into a fully repairing and insuring lease expiring on 29 September 2022, at a passing rent of £689,515 per annum. This reflects a rent of £58.50 per square foot. The previous tenant paid £38 per square foot. As part of the letting, the tenant will benefit from 14 months half rent. An amount of £1.35 million was spent on refurbishment.

This is a very positive letting for the building which should generate good evidence for the rent reviews with other tenants in due course. The building is now fully let.

Outlook for Stenprop post Brexit

The vote by the British public on 23 June 2016 to leave the European Union ('EU') has dramatically altered the political and economic landscape in the UK in ways which it is still too early to fully understand. It is a topic on which there has been, and will continue to be, much speculation as events unfold. At this stage, we have sought to confine our comments to the specifics of our portfolio and what we think the impact has been and could be going foward.

In the context of Stenprop, 33% of our portfolio at 31 March 2016 is in the UK. This is calculated by value and includes the Group's share of associates and joint ventures. An additional 9% is in the Channel Islands, which is not a member of the EU, but which is denominated in Sterling. The aggregate equity in Sterling represents approximately 49% of Stenprop's total equity as at 31 March 2016. This results from the relatively lower leverage on the Group's Sterling portfolio, which stands at 42% and is lower than our aggregate Euro and Swiss loan to value ratios of 56% and 58% respectively. We comment more specifically on the impact on earnings and NAV from a Sterling devaluation perspective in the Chief Financial Officer's report on page 29.

The impact of Brexit on the earnings and values of the portfolio in the local currencies of the properties also needs to be considered. This is a subjective debate, as it is not yet clear what the impact will be and which properties could be affected, if any. Management do not envisage any change to the earnings or values of our German and Swiss portfolios as a result of Brexit. If anything, these could benefit from the likelihood of lower interest-rate environments for longer. Germany and Switzerland are where our refinancing opportunities still lie because, to date, we have focused on refinancing our Sterling portfolio, which is now fully refinanced with longer term debt of between four and five years.

Any impact on earnings and values of our UK portfolio is likely to be as a result of a decline in economic activity and a consequent fall in tenant and investor demand. We have already seen a slowing in both as businesses put off decisions until clarity emerges. This lack of transactional activity is, in turn, likely to lead to a fall in demand for the transactional services of lawyers, accountants, corporate financiers, banks etc. In our view, a slowdown in economic activity for a period is inevitable. How deep and how long that will last is impossible to foresee. The fall in Sterling and the

Performance review

United Kingdom continued

likelihood of a lower interest rate environment is likely at some point to spur demand and inflation, both of which will ultimately be good for property. It is also likely that potential development of new space, and tenant demand for space, will be put on hold as was the case in the 2009 crisis. When tenant demand does return we could again see the shortages of supply that emerged in 2012 onwards, as a result of the curtailment of development and pent up tenant demand that had hitherto been delayed. The key to success is likely to be the same as it was in 2009 – to ensure that as owners one can hold onto and manage the current portfolio until growth resumes. This time around we do not expect the economic damage to be as severe as in 2009, because leverage is, in general, much lower. Banks and owners are far better capitalised and there has been much less speculative supply. The more critical issue this time is likely to come from the tenant demand side: how much will demand fall away, and for how long and how low will rents fall in this cycle?

Looking at the possible impact on earnings on our Sterling portfolio, it is comforting to note that the portfolio is fully let with no leases expiring earlier than November 2018. The average weighted unexpired lease term on the Sterling portfolio is 6.8 years. As such, we do not run a short-term risk that expiring leases will need to be re-let at lower rents, should rentals fall. Our rent review clauses all contain upward-only rent review provisions. Most of Stenprop's buildings are multi-let offices, which diversifies the risk of tenant failure. The portfolio's biggest tenants are well-known and financially stable. Our London multi-let offices have a number of leases which are let on historically low rents, and would be considered under-rented. As such, even if rents fell they may not fall below the levels that some of our tenants are paying. We do not see our risk as one of losing earnings in the short to medium-term, but rather one of losing potential growth in rentals in the event of a downturn.

Should an economic downturn occur, it is also likely that valuations will be negatively impacted as prospects are less exciting, and demand, less. This is difficult to quantify as different buildings will be impacted by a number of variables including lease lengths, tenant quality, existing rental levels and location-specific tenant demand. Conversely, lower interest rates could result in lower property yields for well-let properties as investors search for yield.

Given that we have no development exposure or voids in our Sterling portfolio, we believe we are as well protected as we could be against any possible valuation decreases. We comment in more detail in the CFO's report on our loan to value ratios and lending covenants.

In summary, Stenprop is well positioned to navigate its way through the economic consequences of Brexit, and will seek to take advantage of opportunities that may arise as that process unfolds.

Germany

Market environment

The German economy expanded by 0.25% in the final three months of 2015, with record employment and expansionary monetary policy fuelling domestic consumption at a time of weakening global trade. Gross domestic product rose 1.7% in 2015, marginally up on the 1.6% recorded in 2014. Private consumption rose 1.9% in 2015 from 0.9% in 2014, the most since 2000. Government-spending growth accelerated to 2.8% from 1.7% in 2014, expanding at the fastest pace since the recession in 2009.

Due to a consistently stable economic and political environment, investors continue to see Germany as a safe environment to invest, a factor which is reflected in the sustained performance of the German real estate market. A commercial investment transaction volume of €55.1 billion was recorded in 2015, a 38% increase on 2014 and the sixth consecutive year of increases. The fourth quarter alone contributed almost €17 billion to the annual result and marked the strongest quarter for investment volumes in the last five years.

Investors are under increasing pressure to invest available capital in an increasingly low-yield environment. A year ago it was, so to speak, implicit that material assets, especially products with a high level of borrowings such as property, would profit from this situation. This continues to apply. However, it appears that there is a greater need than ever before for prudent and rational trading by market players in the current market situation.

The pressure on yields has continued into 2016 with five year government bonds showing negative yields. Further reductions in returns on government bonds means that the distance to prime yields remains at a historic high. The average value of the office prime yield for the Big 7 fell only slightly in the first quarter of 2016 and now lies at 4.13%. There was no change in prime yields on shopping centres (4.25%), specialist retail products (5.25% for retail warehousing parks and 5.50% for retail warehouses), or high street units (3.75%). Warehouse/logistics properties on the other hand registered the strongest decline in yields among all the asset classes in the recent quarter.

Performance

The German portfolio (excluding associates and joint ventures) was independently valued at €252.6 million as at 31 March 2016 reflecting an increase of 6.9% on a like for like basis since 31 March 2015 (including the impact of valuation uplifts on acquired properties during the year: Hermann and Victoria). Vacancies decreased slightly from 4.0% to 2.8% over the year as a result of letting activity and acquisitions.

Investment and asset management

Acquisition of Hermann Quartier

The acquisition of a shopping centre known as Hermann Quartier for a purchase price of €22.7 million excluding acquisition costs, completed on 24 August 2015. The property is on a high street location of Berlin's central suburb of Neukölln with excellent public transport links, including an underground station inside the shopping centre. The property is anchored by well-known national retailers including Kaiser's, DM and Netto. The return on equity on this investment exceeded 7.5% per annum at inception after taking into account vacancies of approximately 11% of all lettable space. The property is performing well and at the year-end the independent valuation was €22.9 million. Stenprop is now actively engaged in managing the property to let the vacant space and increase income.

Acquisition of Victoria Centre

The purchase of the Victoria shopping centre for €22.0 million excluding acquisition costs, completed on 24 November 2015. The property is located in the Lichtenberg district of Berlin, approximately 15 minutes by underground from the city centre. The investment is anchored by Kaufland (a hypermarket chain) on a new 17-year lease. The return on equity on this investment exceeded 8% per annum on purchase. At year end the external independent valuation of the centre was €31.2 million, which represents an increase of over 42% on cost and over 78% increase on equity invested. This substantial increase was primarily driven by negotiations between Stenprop and one of the key tenants to restructure its lease following completion.

Bleichenhof development

Our property backs onto the last major prime city centre regeneration site in Hamburg, which is currently being redeveloped. In order to benefit from the marriage value of this development we have entered into a cooperation agreement to redevelop the rear of

Performance review continued

Germany continued

our property. This will effectively result in the weakest part of our retail offering becoming prime retail fronting onto the piazza of the development next door. The adjoining Stadthöfe Quartier development is one of the most significant projects currently underway in Hamburg, covering 100,000 square metres. It is expected to cost approximately €220 million and involves the construction of a new hotel with 124 rooms, 84 apartments, shops and restaurants. When completed Bleichenhof will be attached to Hamburg's newest and trendiest shopping and eating destination in central Hamburg.

Joint ventures and associates

Care Homes Portfolio

The Care Homes Portfolio valuation increased marginally over the period to €34.2 million, up 2.4% from the 31 March 2015 valuation of €33.4 million. The market value reflects an overall net initial yield of 6.55% and a gross multiplier of 12.14. There were no letting events in the Portfolio over the period. Given the current low inflationary environment in Germany, none of the leases reached the five basis point CPI uplift threshold over the period.

The Portfolio has a long WAULT of 15 years, with three of the leases having well over 10 years remaining. The Dessau lease expires this year (FY17) and we are in discussions with the operator around extending the lease.

Nova Eventis

The Nova Eventis shopping centre near Leipzig, in which the Group has a 28.4% interest, is currently being marketed for sale by Jones Lang LaSalle GmbH. The shopping centre, which has over 200 shops and an occupancy level of 96.4%, has 96,387 square meters of lettable space and an annual average daily footfall in excess of 15,000 people. We are satisfied with the progress of the sale process and will be providing an update in our interim report.

Investment in Berlin Residential Portfolio

In FY15 the Group acquired a 10.4% shareholding in Stenham Berlin Residential Fund Limited ('SBRF') at a cost of €5.6 million. SBRF's sole investment as at 31 March 2015 was shares in ADO Group Limited, a company listed on the Tel Aviv Stock Exchange. During FY16, the Group sold part of its shareholding in ADO Group Limited in exchange for shares in ADO Properties Limited, a company listed on the Frankfurt Stock Exchange. Both ADO companies focus mostly on the Berlin residential and commercial markets and own a large portfolio of properties in Berlin. Two of Stenprop's executive directors, Paul Arenson and Patsy Watson, represent SBRF on the board of ADO Group Limited.

During FY16 the value of the Group's holding in SBRF increased by 13% to €7.1million as a result of the underlying increases in the share prices of ADO Group Limited and ADO Properties Limited.

Outlook

The ongoing extremely low interest environment is expected to drive further yield compression over the next 12 months. This yield compression is expected to be accompanied by moderate rental growth driving price increases across almost all asset classes during the year. It is likely that 2016 will continue the trend of investor interest being considerably higher than the willingness of owners or portfolio holders to sell.

Switzerland

Market environment

The Swiss National Bank's decision in January 2015 to scrap the cap on the value of the Swiss Franc against the Euro, continues to shape the macro-economic debate in Switzerland. The initial fears that this would cause the Swiss economy to slip into recession did not play out; however, economic activity in Switzerland has slowed considerably.

Real economic growth was only mildly positive for 2015 and looks set to accelerate only marginally in 2016. Swiss real GDP growth is unlikely to climb back toward its average annual rate of 2% registered over the last decade until at least 2017. The domestic economy remains the cornerstone of growth on the back of robust consumer and public-sector spending. Foreign trade, in contrast, is being hurt by the strong Swiss Franc, as expected. Export growth completely vanished as a growth driver in 2015 and is likely to pick up slowly going forward. The world economic climate remains mixed. The solid growth in the USA is considered the biggest ray of hope for the world economy while the slowdown in many emerging-market countries and particularly China poses an ongoing risk to world GDP growth.

The recent Brexit referendum in the UK has implications for Switzerland. Following the UK's vote to leave the European Union on 23 June the Swiss National Bank (SNB, the central bank) intervened in currency markets to stabilise the Swiss Franc's exchange rate against the Euro and the UK pound. The SNB announced its intervention to media outlets in the early hours of 24 June. This is the second time that the bank has acknowledged intervening since its decision in January 2015 to abandon its currency ceiling with the Euro. In addition to strengthening the currency, the referendum result has the potential to weaken business sentiment and compromise investment plans. Switzerland has direct exposure to the UK and, to a much greater extent, the Euro area economy, both of which are now expected to slow.

Inflation in Switzerland has averaged out to a very low 0.5% per annum over the last 10 years. Consumer prices are likely to contract for 2016 as a result of falling import prices and the drop in the price of oil. On the interest-rate front, the Swiss National Bank (SNB) lowered its three-month CHF LIBOR target to −0.75% in January 2015.Given the sustained upward pressure on the Swiss Franc, the SNB is unlikely to alter the short end of the interest-rate curve much in the near future. This, coupled with the deflationary tendencies and the

Switzerland continued

domestic investment pressure, should also keep long-term interest rates close to their record-low level.

On the investment side, the low bond yields enhance the attractiveness of real estate assets. Initial yields for prime properties fell by around 30 basis points in 2015. Since market interest rates in Switzerland are unlikely to return to 'normal' anytime soon, initial yields for prime office real estate are unlikely to come under pressure for the time being.

Performance

The Swiss portfolio was independently valued at CHF170.3 million as at 31 March 2016, reflecting a 2.7% reduction in fair value since 31 March 2015. This decrease was largely attributable to the Lugano property which at the time of the valuation was almost entirely vacant due to anticipated lease expiries. Subsequent to the completion of the valuation we agreed a new long-term lease with a fitness operator who will take possession of the whole building following the completion of a substantial redevelopment. The necessary works are scheduled to complete in September 2017, at which point we expect a significant uplift in the value of the property.

Investment and asset management

In Switzerland there were no acquisitions or disposals during the year. There have been a number of asset management initiatives undertaken over the period principally aimed at securing lease extensions and minor capital improvements. As discussed above, a new 20-year lease was signed with a fitness operator in Lugano who will take possession following a substantial redevelopment. In Granges Paccot a new five-year lease was signed with the single occupier Arlanxeo (previously Lanxess). Recent positive letting activity has also been seen at Vevey, Montreux, Baar and Cham.

Outlook

The Swiss economy, although subdued, has managed to avoid recessions; however, the future looks more uncertain in light of the recent Brexit vote. This may in fact drive further investment into the Swiss property market in light of it being viewed as a safe haven location.

Current research indicates that over the next two years the economic climate looks set to remain relatively benign for the Swiss office market. With very low or zero inflation, any increase in the rents of retail or office spaces would be difficult to justify, especially as supply is expected to continue to grow in the larger cities. However, investment is buoyant and high levels of competition together with low rental growth mean that yields will remain low.

Chief Financial Officer's report

The strategy of the Group is to deliver continuously growing distributions per share together with long-term capital appreciation.

Overview

Our strong results this financial year are reflected in diluted adjusted EPRA earnings growth of 7.4% and a 6% increase in the dividend per share on an annualised basis.

At year-end, Stenprop had an interest in 55 properties valued at €891.0 million[1] (2015: €806.7 million), with 42% in the United Kingdom, 41% in Germany and 17% in Switzerland (by value). The portfolio, which has a gross lettable area of approximately 254,100[1] m^2 (2015: 240,500) and gross annual rent of €52.8 million[1] (2015: €48.7 million) is predominantly in the office and retail sectors which account for 51% and 38% of rental income respectively.

Financial review

Earnings

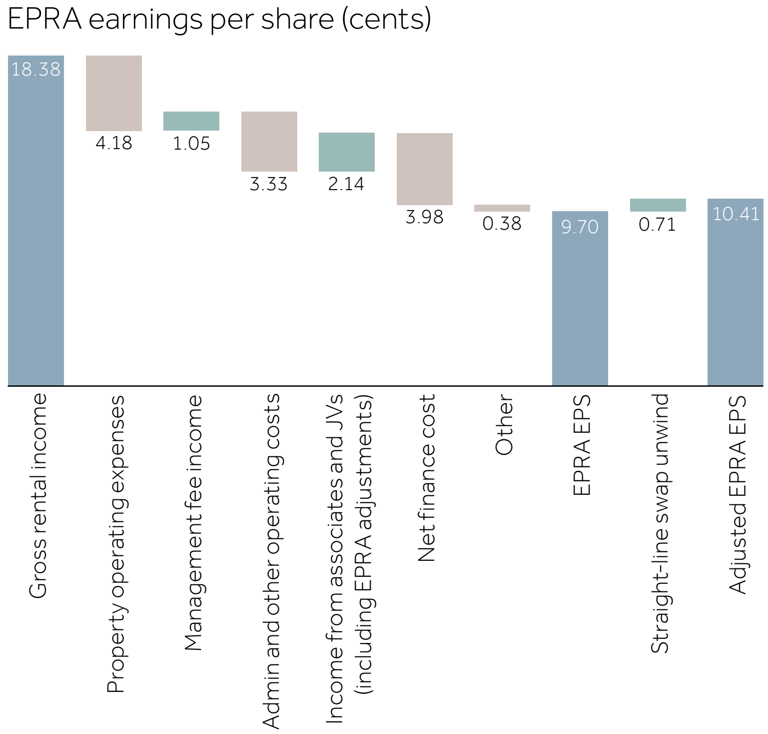
The basic earnings attributable to ordinary shareholders for the year ended 31 March 2016 were €49.3 million (2015: €37.6 million). This equates to a diluted IFRS EPS of 17.66 cents (2015: 28.37 cents). Headline earnings were €26.7 million (2015: €10.8 million) equating to a diluted headline EPS of 9.56 cents (2015: 8.18 cents).

In accordance with reporting standards widely adopted across the real estate industry in Europe, the board of directors feels it is appropriate and useful, in addition to providing the IFRS disclosed earnings, to also disclose EPRA[2] earnings. Adjusted EPRA[2] earnings

1 *Includes Stenprop's share of the properties held within the associate and joint venture investments.*

2 *The European Public Real Estate Association ('EPRA') issued Best Practices Policy Recommendations in December 2014, which provide guidelines for performance measures relevant to real estate companies. Their recommended reporting standards are widely applied across this market, aiming to bring consistency and transparency to the sector. The EPRA earnings measure is intended to show the level of recurring earnings from core operational activities with the purpose of highlighting the Group's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings. The measure excludes unrealised changes in the value of investment properties, gains or losses on the disposal of properties and other items that do not provide an accurate picture of the Group's underlying operational performance. The measure is considered to accurately capture the long-term strategy of the Group, and is an indication of the sustainability of dividend payments.*

Chief Financial Officer's report continued



attributable to shareholders were €29.0 million (2015: €12.8 million), equating to a diluted adjusted EPRA EPS of 10.41 cents (2015: 9.69 cents). This represents a 7.4% increase on the diluted adjusted EPRA EPS at 31 March 2015.

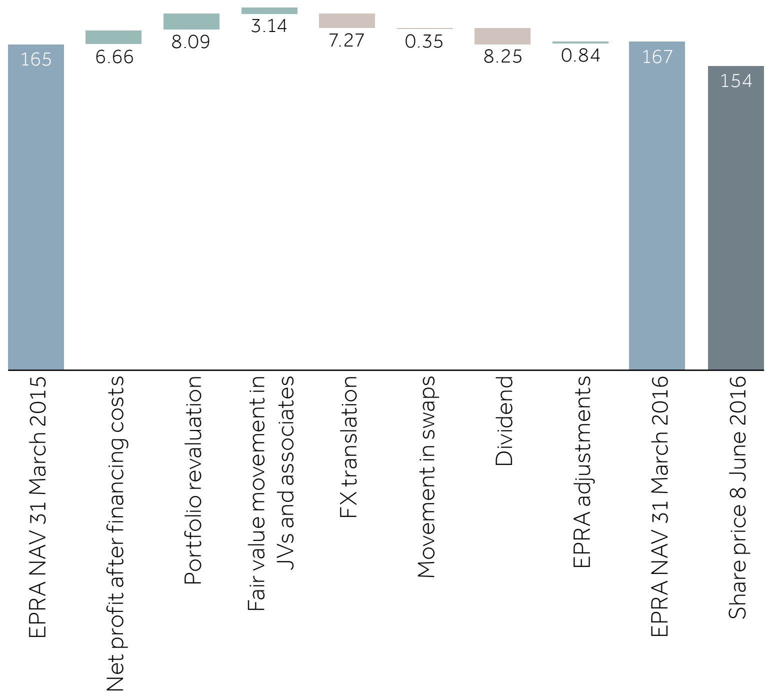
The chart above illustrates the composition of our earnings over the reporting period. Management fee income relates to third party fees earned by Stenprop from historical managed property syndicates and funds as they are run off. During the year the Group earned fees relating to the disposal of assets held by managed syndicates of €0.9 million. Ongoing management fees made up the balance of the management fee income which totalled €2.9 million for the year ended 31 March 2016.

Dividends

On 8 June 2016, the directors declared a final cash dividend of 4.7 cents per share which, together with the interim dividend of 4.2 cents (2015: nil) declared on 26 November 2015, results in a total dividend for the year ended 31 March 2016 of 8.90 cents (2015: 4.2 cents). The final dividend was paid on 29 July 2016.

On 25 January 2016 the Company announced a 41.5% take up of the interim scrip dividend of 4.2 cents declared on 26 November 2015, for which 3,253,857 new Stenprop shares were issued at an issue price of €1.49854 per share.

NAV movement per share (cents)



Net asset value

The IFRS (basic and diluted) net asset value per share at 31 March 2016 was €1.61 (2015: €1.59).

As is the case with regard to the disclosure of EPRA earnings, the directors feel that it is appropriate and useful, in addition to IFRS NAV, to also disclose EPRA NAV[3]. The diluted EPRA NAV per share at 31 March 2016 was €1.67 (2015: €1.65) and represents a 1.2% increase on the prior year-end. The chart above illustrates the composition of the NAV over the reporting period.

Foreign exchange

The exchange rate between the Euro and Sterling at the start of April 2015 was £1:€1.37 having reached a peak during the year of over £1: €1.44. At 31 March 2016 Sterling had weakened to £1:€1.27 which is the rate that has been used to translate the Group's Sterling assets and liabilities on the balance sheet. Foreign exchange volatility has also been seen with the Swiss Franc which began the period at CHF1:€0.96 and ended the year at CHF1: €0.91.

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

Chief Financial Officer's report continued

Financing

Based on the value of the property portfolio of €891.0 million as at 31 March 2016 (including the Group's share of associate and joint venture properties) and bank debt of €460.1 million, the average loan to value ratio ('LTV') was 51.6%, compared with 53.8% at the previous year-end.

The weighted average debt maturity stood at 2.2 years at 31 March 2016, a level broadly unchanged since the previous year-end. Annual capital repayments since 31 March 2015 remain unchanged in Germany and Switzerland. €3.2 million of repayments in the UK have been eliminated following the refinancing at our Euston House and Pilgrim Street properties, resulting in total annual amortisation payments across the portfolio of €6.2 million. The all-in contracted weighted average cost of debt dropped to 2.80% (including the increased cost of negative interest rates in Switzerland) from 3.07% at 31 March 2015. After taking into account the amortisation of the swap contract liabilities acquired by Stenprop as part of the Stenham Transaction, the effective weighted average cost of debt at 31 March 2016 was 2.53%, including the increased cost of negative interest rates in Switzerland and Germany.

Post year-end, on 26 May 2016, the UK portfolios known as Davemount and GGP1 were refinanced. The portfolios hold 10 properties across the UK valued at £32.6 million. The new £12.4 million five-year facility was secured with the existing lender, Santander, and has an all-in interest rate of 3.46%. This comprises a 2.25% margin and a swap of 1.21%. As part of the negotiations, it was agreed to remove the requirement for any capital repayments.

Stenprop has deliberately delayed refinancing its existing debt in Switzerland, which matures in March 2017, to allow the existing swap contracts to unwind, rather than incur heavy swap break penalties. During the forthcoming financial year Stenprop intends to focus on refinancing much of this debt, as interest rates in Switzerland are at historically low levels. Stenprop has been paying approximately 2.82% per annum on its Swiss debt (or 2.02% after taking into account the capital repayments of the acquired swap contract liabilities) including an extra 0.80 basis points due to negative interest rates which have been imposed on borrowers with swap contracts. Stenprop plans to refinance this debt for a further five years at a LTV of 50%. This may require a capital repayment of approximately CHF6 million at the time of such refinance as the current LTV on the Swiss portfolio is 55.9%. Based on discussions with our Swiss banks, the all-in cost of such finance is anticipated to be approximately 1.50% per annum. and there is likely to be no need for further capital repayments compared with current annual capital repayments of CHF4.02 million. Although current five-year swap rates are negative, it is likely that new Swiss debt will be taken on a floating rate basis as in our view, the risk of rates going further into negative territory outweighs the risk of positive rates over the next five years.

As a general policy, the Company utilises five-year debt funding unless there are good reasons to take loans of longer or shorter duration. Stenprop's current weighted average debt maturity profile of 2.2 years is temporarily skewed by three large loan structures, being:

- the Swiss debt totalling CHF87.1 million which, as discussed above, will be refinanced during the current year on a five-year term;
- a loan of €84.9 million on our Bleichenhof property in central Hamburg. This loan matures in December 2016, and is currently on a short-term floating rate as the property is undergoing a refurbishment/

repositioning at the rear of the property to take advantage of the marriage value with the large scale redevelopment of the property next door. Once the redevelopment is complete, estimated to be in December 2017, our plan is to refinance the property on a five-year, fixed rate basis; and

- the loan on Nova Eventis, which is held as an associate. Stenprop owns a 28.42% interest in this property which was funded with a four year loan which expired in July 2016 and was extended for six months while the sale process is underway. The loan is at a historically high all-in interest rate of 4% per annum.

The maturity of the Swiss and Bleichenhof debt during the 12-month period after 31 March 2016 is primarily responsible for the increased level of bank loans shown under current liabilities in the consolidated statement of financial position, which at 31 March 2016 is €18.8 million.

Stenprop has seen evidence of significant liquidity in both the German and Swiss lending markets, particularly at the levels of gearing shown by the properties in question. Stenprop has considerable refinancing experience, having, *inter alia*, successfully negotiated £64.6 million of debt on two London properties in May 2015 at reduced rates and with no capital repayments. Given the strength of the assets and the level of existing gearing, Stenprop expects to secure favourable all-in interest rates, with no capital repayments on refinancing.

As mentioned earlier in this report, the Nova Eventis shopping centre near Leipzig, in which the Group has a 28.4% interest, is currently being marketed for sale. The current lenders have agreed to extend the loan, which matured on 24 July 2016 for a period of six months to 24 January 2017 on terms which are substantially the same as the current terms. Should a decision be taken not to sell the property for any reason, the directors of SESCF anticipate that, given the quality of the property and the strong relationships with German lenders, a refinancing on favourable terms can be secured. Stenprop agrees with this assessment.

Prospects

Stenprop's mission is to enhance and protect shareholder value by delivering sustainable growth in earnings, distributions and net asset value through the active asset management of its carefully selected, high quality, low risk portfolio of European property assets.

Prior to the Brexit referendum result on 24 June 2016, based on exchange rates of €1.30:£1.00 and €0.90:CHF1.00 and assuming no new share issues for acquisitions, Stenprop's base case projection was to grow EPRA earnings per share and distributions by at least 1.5% per annum over each of the next three years. This growth of 1.5% per annum in EPRA earnings per share was forecast to come entirely from the active asset management of the existing portfolio. Additional growth of 0.5% to 1% in EPRA earnings per share was forecast if capital could be raised for acquisitions at pricing levels which delivered enhanced earnings from targeted acquisitions which met our quality criteria. The base case forecast of 1.5% per annum would have resulted in a diluted adjusted EPRA earnings per share of at least 10.58 cents for the year ending 31 March 2017.

The Brexit vote has resulted in uncertainty in the economic outlook for the United Kingdom, with consequent volatility in the markets. Sterling has come under downward pressure, with a negative impact on our forecast earnings expressed in Euros. At an exchange rate of €1.20:£1 and with all other assumptions remaining constant, our forecast adjusted EPRA EPS drops from 10.58 to 10.29 cents. At an exchange rate of €1:15:£1.00, this number drops further to 10.15 cents,

Our EPRA net asset value per share of €1.67 at 31 March 2016 was based on exchange rates on that date of €1.27:£1.00. Assuming no other changes, EPRA NAV drops to €1.61 at an exchange rate of €1.20:£1.00 and to €1.58 at an exchange rate of €1.15:£1.00.

Against this background, we emphasise that our UK portfolio consists of high quality properties, fully let to sound tenants with upward-only rent reviews. In the short to medium-term we are not anticipating a negative impact on Sterling earnings derived from our UK assets as a result of Brexit. There is some risk of falling property values in the short to medium term as a result of yield expansion, resulting in increasing loan to value ratios. Our UK portfolio has lower leverage than the remainder of the portfolio, as set out on page 16, and in all cases property values would have to decline by 20% or more before bank loan to value covenants would be breached.

As set out above, fluctuations in exchange rates used in our forecast could further impact earnings and distributions. This general forecast has been based on the Group's forecasts and has not been reported on by the external auditors.

PWatson

Patsy Watson
Chief Financial Officer

The board is committed to ethical behaviour throughout the business and it recognises the importance of sound corporate governance.

Governance

Board of directors

Gerald Leissner

Non-executive Chairman
Appointed: 2 October 2014 (executive director since 3 December 2012)

Gerald Leissner is the CEO of Arrowhead Properties Limited. He has been active in the property sector for 50 years and has accumulated a wealth of experience. He was previously CEO of ApexHi Properties Limited (a company listed on the JSE) for eight years until its merger with Redefine Income Fund Limited.

Paul Arenson

Chief Executive Officer
Appointed: 2 October 2014

Paul Arenson joined Stenham in 1995 with a mandate to start a property business for the Stenham Group. He has driven the development of the business from its inception and has held the position of managing director since then. Paul qualified as a lawyer after serving articles with Edward Nathan & Friedland Inc. Prior to joining Stenham, he was a partner at the London office of Sonnenberg Hoffman & Galombik.

Patsy Watson

Chief Financial Officer
Appointed: 2 October 2014

Patsy Watson joined Stenham Property in May 2007 as Finance Director, having spent three years as Finance Director of a division of Regus (a listed property company on the London Stock Exchange). Prior to that, she had 13 years of experience in corporate finance and project structuring as a partner at Neil Thomas Associates, a boutique firm of corporate finance specialists in Johannesburg. Patsy graduated from the University of Witwatersrand in South Africa with Bachelor degrees in Commerce and Accountancy, where she also completed a two-year postgraduate course in taxation. She qualified as a Chartered Accountant in Johannesburg, after serving articles with PricewaterhouseCoopers.

Neil Marais

Executive director
Appointed: 2 October 2014

Neil graduated from the University of Stellenbosch, South Africa, with a Bachelors of Commerce in Management Accounting and subsequently qualified as a Chartered Certified Accountant in the United Kingdom. He has more than 15 years of Real Estate, Private Equity and Debt Fund experience, most recently with Park Square Capital and as CFO with SG Capital Europe (now Syntegra Capital), the former private equity arm of Société Générale. In 2009, Neil joined the Stenham Group to head its Property Advisory Company in the Channel Islands and is an executive director on the managed Real Estate Funds and Advisory boards.

Michael Fienberg

Lead independent non-executive director
Appointed: 2 October 2014

Michael Fienberg joined Stenham in 1994 and was appointed Group Managing Director in 2000. He was closely involved in the development of Stenham's property business from its inception and is now a non-executive director of Stenham and chairman of its audit and risk committees. Michael graduated from the University of Natal with a BA (Hons) and subsequently qualified as an actuary.

Peter Hughes

Independent non-executive director
Appointed: 4 April 2016

Peter founded Apex Fund Services, a leading global independent fund administrator in September 2003. His vision was to create a company that provides a suite of services enabling managers to grow whilst running their businesses more effectively and efficiently. Under his leadership the Apex Group has grown rapidly and today delivers services via 33 offices worldwide, employing in excess of 600 staff and with assets under administration of c.$45 billion (USD). Peter has over 20 years of financial services experience having qualified as a chartered accountant in 1994. He is a fellow of the Institute of Chartered Accountants in England and Wales.

Stephen Ball

Independent non-executive director
Appointed: 2 October 2014

Stephen is managing director of the Sphere group of companies, which provides fiduciary and company management services. Stephen qualified as a Chartered Accountant in 1977, having trained with Coopers & Lybrand. In the same year, Stephen joined Reads & Co. in Guernsey (which became part of BDO International in 1991), becoming a partner in 1982, where he specialised in fiduciary services. He formed Sphere in 1995 after retiring from Reads & Co. Stephen is a director on the boards of various funds managed by Stenprop Advisers Limited and a director of a number of companies with property assets including offices, commercial, retail and hospitality.

James Keyes

Independent non-executive director
Appointed: 26 October 2012

James Keyes is a Bermuda resident and citizen. He was a partner of Appleby LLP, the offshore law firm, for 11 years, until he retired from the firm in 2008. He joined Appleby in 1993 and was team leader of the Funds and Investment Services Team. Prior to Appleby, he was employed in the Corporate Department of Freshfields law firm, and worked in the London, New York and Hong Kong offices. James attended Oxford University in England as a Rhodes Scholar. He was admitted as a Solicitor in England and Wales in 1991 and to the Bermuda Bar in 1993. James acts as a non-executive director of a number of funds and companies. He became a Notary Public in 1998.

Mandy Yachad

Independent non-executive director
Appointed: 10 December 2014

Mandy graduated from the University of Witwatersrand in South Africa in 1982 with Bachelor degrees in Commerce and Law. He qualified as a lawyer after serving articles with Werksmans Attorneys and practised at Werksmans for 14 and a half years, the last nine years as a partner in the commercial department. Mandy joined the Peregrine group in October 1999 as a member of the private equity team. He was an invitee to board meetings since February 2003 and in November 2010 he was appointed as an executive director to the board of Peregrine Holdings Limited, a company listed on the Johannesburg Stock Exchange. His responsibilities at Peregrine include head of internal corporate finance and general legal functions within the Peregrine group and he is also the designated representative of the company secretary.

Corporate governance

Stenprop was incorporated in Bermuda on 26 October 2012, with registered number 47031. It was listed on the BSX on 15 March 2013 and, following approval from the South African Reserve Bank, it concluded an inward listing on the AltX of the JSE on 29 April 2013. Stenprop's listing was transferred from the JSE's AltX to the JSE's Main Board with effect from Monday, 5 October 2015.

The board is committed to ethical behaviour throughout the business and it recognises the importance of sound corporate governance. In conducting the affairs of the Company, it endorses the principles of fairness, responsibility, transparency and accountability advocated by the third King Report ('King III') on Governance for South Africa 2009. In so doing it aims to ensure that the Company is and is seen to be a responsible corporate citizen.

The board confirms that at the date of this document the Company has applied the recommendations of King III in all material respects. A register of the King III principles and how the Company applied the respective principles and recommendations is available on the Company website. For the reporting period ended 31 March 2016 and up to the date of this document, the Company has complied with all corporate governance requirements of the BSX.

The board of directors comprises a non-executive Chairman, five independent non-executive directors (one of whom acts as a lead independent non-executive), and three executive directors. The directors of the Company are listed on pages 36 and 37. The board aims to provide transparency and accountability to shareholders for the management and control of the Company's activities by maintaining strong leadership based on an ethical foundation.

Gerald Leissner was appointed as Chairman and Paul Arenson as Chief Executive Officer of the Company on 2 October 2014 upon completion of the Stenham Transaction on the same date. The division of responsibilities of the Chairman and CEO was documented and approved by the board to ensure a balance of power. The role of the Chairman and the CEO are separate and the CEO is fully responsible and accountable for the operations of the Company.

The directors normally meet four times a year, with additional meetings being held if necessary to deal with matters that require the board's attention between the regular quarterly meetings. The Chairman leads the board and facilitates constructive relations between the executive and the non-executive directors. The Chairman holds no other listed company chairmanships.

The directors hold a diverse range of skills and a wealth of business experience in property, finance and corporate governance which, it is considered, will sustain and advance the successful operation of the Company in the long term.

The board of directors comprises nine directors, five of whom are independent. They bring independent judgement to issues tabled at director meetings including Company strategy, performance and standards of conduct. Where appropriate they constructively challenge the executives and ensure that the obligations towards the Company's shareholders are met. The minutes record any unresolved issue raised by the non-executive directors, should they arise.

The directors have adopted a charter that sets out the practices and processes the board follows to discharge its responsibilities. The charter specifically sets a description of roles, functions, responsibilities and powers of the board, the shareholders, the Chairman, individual directors, company secretary, and any prescribed officers and executives of the Company.

The directors determine the decision-making authority given to management as well as those matters reserved for decision-making by the directors. The Company charters provide a clear balance of power and authority at board level, such that no one individual or block of individuals can dominate the board's decision-making.

The Company maintains directors' and officers' liability insurance cover and provides the directors with indemnity. Any circumstances that might give rise to a claim will be discussed at each board meeting and reported to the brokers, and the level of indemnity is reviewed before renewal.

Committees of the board of directors

The board of directors has delegated certain specific responsibilities to the following committees:

- Remuneration committee
- Audit committee
- Risk committee
- Investment committee

Whilst overall responsibility remains with the board, the committees assist the board in discharging its responsibilities and duties. Full transparency and disclosure of committee deliberations is encouraged and the minutes of all committee meetings are available to all directors.

The board has unrestricted access to the external auditors, professional advisors, the services of the company secretary, the executives and the staff of the Company at any given time. Should a director require independent professional advice on any matters, the board has agreed that this can be taken at the Company's expense. A training log is kept for all directors.

Appointment and directors' service contracts

During the year it was resolved that the entire board would sit as the nominations committee as and when required, and a chairman, who would be the lead independent non-executive, would be appointed for those meetings. The terms of reference of the board deal with such matters as procedures for nominations, appointments, induction programmes, ongoing training, development and the evaluation of the directors. All matters are conducted through a formal process in accordance with the board's charter.

Director appointments are made in a formal and transparent manner considered by the board as a whole in accordance with the Company's policy for appointments to the board. The appointment of all directors is minuted, published on the respective exchanges and included on the Company's website.

Any director appointed during the year by the board is required to have the appointment confirmed by shareholders at the next annual general meeting. One third of the non-executive directors retire by rotation at each AGM and are eligible for re-election.

All executive directors have an employment contract. There is no fixed term of employment but the contract can be terminated by either party giving the other notice in writing for a period of either three or six months dependent on which party instigates such notice. The executive employment contracts can be made available for inspection on request at the registered office of the Company.

Non-executive directors are employed on an initial 12-month term which can be terminated by one month's notice.

Non-executive directors	Appointed	Change in appointment	Board meetings attended
J Keyes	26/10/12		3/4
G Leissner*	03/12/12	Appointed Chairman 02/10/14	4/4
D Brown	25/09/13	Resigned 04/04/16	2/4
M Fienberg	02/10/14	Appointed lead independent director 10/06/15	4/4
S Ball	02/10/14		4/4
M Yachad	10/12/14		4/4
P Hughes	04/04/16		n/a

** G Leissner was an executive director until 2 October 2014, when he was appointed non-executive Chairman.*

Corporate governance continued

The board's effectiveness is assessed through an annual assessment process. The results of the assessments are reviewed by the Chairman with a view to addressing any shortcomings that may emerge.

It is core to the Group's success that the most qualified people for any job should be employed and that the working environment be free from discrimination, harassment, intimidation or coercion based on race, religion, gender, age, nationality or disability.

Board meetings and attendance

The board formally met four times during the year under review. Dates of the appointment and resignation for those non-executive directors who served throughout the year are set out in the table on the previous page. The table also details the individual attendance by non-executive directors at board meetings.

Individual attendance by executive directors at Stenprop board meetings held during the year is set out below:

Executive directors	Appointed	Board meetings attended
P Arenson	02/10/14	4/4
P Watson	02/10/14	4/4
N Marais	02/10/14	4/4

Directors' dealings

The Company adheres to a strict policy regarding share dealings, which prohibits dealings in shares by directors, officers and connected persons for a designated period preceding the announcement of its annual and interim financial results, or any other period considered price sensitive. All staff, including directors, are advised of such periods, and dealings in shares by directors are strictly monitored with the necessary announcements being made on the respective stock exchanges as required. A table showing the directors' interests can be found in note 8 of the annual financial statements included in this integrated annual report.

Conflict of interest

Whenever a relationship exists which gives rise to an opportunity for personal gain inconsistent with the Group's best interest, a conflict of interest arises. The board and its directors are required to act, at all times, in the best interests of the Company. A dedicated compliance register is regularly updated to record any conflict of interests, and all such matters are dealt with in accordance with the board's charter.

Company secretary

All directors have access to the advice of the company secretary, Apex Corporate Services Limited, which is resident in Bermuda. The company secretary provides guidance to the board and to individual members regarding how to properly discharge their responsibilities.

The qualifications, experience and competence of the company secretary, the individual persons who perform the company secretary role as well as the directors and shareholders of the company secretary, are considered on an annual basis. After careful consideration these attributes were deemed appropriate by the board. The directors further concluded that the relationship with the company secretary is at arm's-length and there is no conflict of interests.

Governance of information technology

Whilst the board is ultimately responsible for the governance of information technology, it is management's responsibility to ensure that appropriate processes exist to ensure timely, complete, accurate and appropriate IT reporting. It is understood that good IT governance is core to achieving the objectives of the Company.

Investment committee

The committee comprises Gerald Leissner, Paul Arenson and Michael Fienberg. The committee is appointed by the board of directors to consider all material transactions to be entered into by the Company including proposed purchases, sales or material capital expenditure projects, with a view to making recommendations thereon to the board. All proposed material transactions are circulated to the committee in advance of meetings and are presented to the committee by the Company's executive team. All decisions require consensus. The committee was appointed following the Stenham Transaction on 2 October 2014 and met four times during the current year, with all members in attendance. The committee meets as and when required, but in any event it meets at least four times a year, as stipulated in its charter.

Remuneration committee report

The board has appointed a remuneration committee ('RemCo') which comprises at least two non-executive directors, the majority of whom are independent. At year-end, the committee comprised (and at present comprises) Stephen Ball (Chairman), Gerald Leissner and Michael Fienberg. The RemCo meets at least once per year and convened on 3 June 2015 and again on 31 May 2016. All three members were present at both meetings.

The committee's framework is based on the principles of sound governance and codes of best practice The committee is responsible for monitoring the remuneration policy of the Company and making recommendations based on key principles including:

- the alignment of management and key staff remuneration and incentives with Stenprop's strategy to enhance and protect shareholder value;
- to determine and monitor the criteria necessary to measure the performance of executive directors in discharging their functions and responsibilities. The level of remuneration should be directly linked to corporate and individual performance; and
- remuneration packages should be designed to attract and retain people of the required calibre.

In addition the RemCo is responsible for approving and awarding share incentives to executives and staff.

Executive directors' remuneration

The RemCo considers the specific remuneration packages for executive directors of the Company according to the Company's needs. The RemCo reviews, at least on an annual basis the terms and conditions of executive directors' service agreements, taking into account information from comparable companies where relevant. As part of achieving and maintaining reasonable, acceptable levels of remuneration, the committee has considered the following components to remuneration:

- **Fixed:** representing basic salaries and benefits commensurate with market levels and with the goal of attracting and retaining suitable executives.
- **Annual incentive awards:** a discretionary bonus linked to performance against quantitative, qualitative and personal measures.
- **Long-term incentives:** The Company operates two share incentive plans which are discussed in more detail below. Awards are linked to corporate performance measures and subject to holding periods.

The disclosure of remuneration in the annual report is seen as a constructive opportunity to communicate with shareholders. Please refer to note 8 to the annual financial statements for details on executive remuneration.

Share incentive plans

The Group operates two share incentive plans.

The Deferred Share Bonus Plan is an award, following recommendation from the RemCo, of 'nil cost' options over such number of shares that have an aggregate value equal to the deferred bonus. Such share options vest in three equal tranches. The first tranche vests on the date of grant with subsequent tranches vesting at the first and second anniversaries of the relevant year-end. Share options may be exercised until the 10th anniversary of the grant date, after which time they will lapse.

The Share Purchase Plan is a geared loan purchase scheme. Any award is discretionary and directly linked to corporate and individual performance. Any such loan granted attracts interest at a rate equal to the average interest cost incurred by the Group, payable six-monthly in arrear. Loans are repayable on cessation of employment and in all cases must be repaid within 10 years. Any grants to executive directors and other senior employees made pursuant to this scheme shall be determined by the RemCo and serves to align the long-term interests of executive directors and senior staff with those of shareholders.

Non-executive directors' remuneration

Non-executive directors receive fixed fees for their services as directors of the board and as members of board sub-committees. These fees are reviewed every three years. The non-executive directors do not receive remuneration other than fees but are entitled to be paid all reasonable direct costs, pertinent to the role of directors, incurred in connection with the business of the Company. Details of fees paid to non-executive directors can be seen in note 8 to the annual financial statements.

Statement of consideration of employment conditions for staff

All employees have contracts with terms in line with standard market practice. Remuneration is similar in structure to the executive pay structures, containing a fixed annual salary and a performance-linked component.

For most employees, a notice period of three months is required to terminate the contract and payment *in lieu* of notice will be given in appropriate circumstances. Stenprop is an equal opportunities employer.

Stephen Ball
Chairman of remuneration committee

Audit committee report

Role and operation

The overall objective of the audit committee (the 'Committee') is to assist the directors to discharge their responsibilities relating to the safeguarding of assets, the operation of adequate and effective systems and internal and financial control processes, the preparation of materially accurate financial reporting information and statements in compliance with all applicable legal and regulatory requirements and accounting standards, and the oversight of the external and internal audit appointments and functions.

Membership and meetings

The members of the Committee are all non-executive directors and meet all applicable independence requirements. The members of the Committee collectively have sufficient qualifications and experience to fulfil their duties. The Committee operates within a prescribed charter and meetings are held as frequently as the Committee considers appropriate, but will normally meet not less than three times a year. During the financial reporting year the Committee met four times with all meetings attended by the Chief Financial Officer and three of the meetings attended by the external auditor.

Name	Appointed	Meetings
M Fienberg *(Chairman)*	02/10/2014	4/4
S Ball	02/10/2014	4/4
M Yachad	10/12/2014	4/4

Responsibilities and work undertaken during the year

During the year the work completed by the Committee included the following:

- Reviewed and approved the annual audit plan and ensured that it was consistent with the scope of the audit engagement and that the audit plan made provision for effectively addressing the critical risk areas in the business;
- Oversaw the external audit process and reviewed the performance of the auditor;
- Recommended the external auditors' remuneration and monitored non-audit services;
- Considered the appropriateness and quality of all critical accounting policies and practices including any accounting treatments, significant unusual transactions or accounting judgements that could be contentious;
- Consideration and recommendation of the going concern assumption adopted by the board;
- Reviewed and recommended for approval the quarterly, half-yearly and annual financial statements;
- Review and consideration of compliance with regulatory and listing obligations;
- Kept under review the adequacy and effectiveness of the Company's financial reporting and internal control policies and procedures for the identification, assessment and reporting of risks, fraud risk as it relates to financial reporting, IT risk as it relates to financial reporting as well as the Company's process of risk management. In this regard the Committee will consider and review the findings and recommendations of the risk committee, in so far as they are relevant to the functions of the committee;
- During the reporting year the extended assurance programme commenced. The Committee selected the topic and subsequently approved the Company's Transfer Pricing Policy, which was also reviewed and reported on by Deloitte under a separate engagement;
- Reviewed the integrated annual report with regard to all factors and risks that may impact on the integrity of the report; and
- Considered and was satisfied as to the expertise and experience of the Chief Financial Officer.

The Committee will at their next meeting, review the JSE Proactive Monitoring Process Report and ensure that all important points are considered when preparing future Annual Financial Statements.

Significant areas of judgement and estimates

In assessing the integrity of the financial statements, the Committee has reviewed the appropriateness of accounting policies, estimates and areas of judgement. The following key areas have been identified and were disclosed accordingly in note 4 to the accounts:

- **Investment property** – The Group's investment properties are valued based on external independent appraisals.
- **Business combinations** – As detailed in note 27 and pertaining to the prior year Stenham Transaction.

- **Hedge accounting** – During the year the Group discontinued hedge accounting for all interest rate swaps and as such any gain or loss is recognised immediately in the statement of comprehensive income.

The Committee was satisfied that the processes and pertinent assumptions used in areas of judgement were reasonable and applied appropriately. The Committee was further satisfied that areas of judgment had been reviewed and discussed with the external auditors who agreed with the accounting treatment adopted.

Independence and appointment of the external auditor

Deloitte LLP was appointed to the audit on 3 December 2012 and has expressed its willingness to continue in office.

The Committee is responsible for monitoring the level of non-audit services provided by Deloitte and asks the auditor to confirm their continued independence. Deloitte has confirmed to the directors that it remains independent and has maintained the necessary internal safeguards to ensure the objectivity of the audit partner and staff.

All fees are paid to Deloitte in Sterling and reported in the financial statements in Euros, the Group's functional currency. Deloitte undertook certain non-recurring work relating to the Company's Main Board listing in the current year and the launch of Stenprop in the prior year. The following fees were paid/accrued for during the year:

	Year ended 31 March 2016 €'000	Year ended 31 March 2015 €'000
Audit fees	**340**	303
Non-audit fees		
Tax compliance and advisory services	**97**	121
Total	**437**	424

Effectiveness of the external auditor

In assessing the auditors' effectiveness the Committee has considered its knowledge of the Group, understanding of the accounting processes, internal controls and the extent to which the audit plan has progressed in line with expectation.

The Committee was satisfied that the auditor has adequately fulfilled its duties in relation to both audit and non-audit services and that it has the requisite skills and expertise to provide such services.

It has been recommended that Deloitte be reappointed as auditor and, if accepted by the Company's shareholders in September 2016, the Committee looks forward to working with Deloitte as the business moves forward in the current financial year.

Michael Fienberg
Chairman, audit committee

Risk committee report

Role and operation

The risk committee is governed by a formal charter and extends to the operations and activities of all of the Group's legal entities. The role of the committee is to assist the board in executing its responsibilities relating to risk management. The risk committee is responsible for ensuring that:

- appropriate risk management recommendations are made for board approval;
- adequate progress is made against the risk management plan;
- key risks are being identified, analysed and assessed;
- management's risk responses are appropriate and adequate;
- the risk management process is effective and continuously developed; and
- appropriate combined assurance is provided.

The approach to risk management as well as the risk matrix, (pages 10 and 11), is set out in the risk management section of this integrated annual report and forms an important part of the Group's approach to best practice corporate governance. The committee considers disclosure regarding risk management and ensures that it is both comprehensive and relevant.

Risk management is integral to the decision-making, as well as the routine management, of the Group and risk awareness is part of the Group's culture. All staff are required to actively contribute to the identification and mitigation of risks.

Membership and meetings

The committee has at least three members and includes both executives and non-executive directors, one of whom must also be a member of the audit committee. The Chairman of the committee shall be a non-executive director. All members are nominated by the board and have sufficient risk management skill and operational experience to fulfil their duties. Members of senior management may be invited to attend the meetings to complement the skill set of the committee but do not attend as members and as such have no voting rights.

During the reporting year the committee met four times. Minutes are circulated to the board after every meeting.

Name	Appointed	Meetings
M Fienberg *(Chairman)*	02/10/2014	4/4
S Ball	02/10/2014	4/4
P Watson	10/12/2014	4/4
N Marais	10/12/2014	4/4

Responsibilities and work undertaken during the year

During the year the work completed by the committee included the following:

- Consideration and approval of the Group Risk Management Plan. The Plan provides guidelines for management and the committee to aid in the identification and assessment of risks to the business;
- Formal adoption of the Risk Matrix and its approach to considering the levels of risk tolerance, monitoring and mitigation;
- Consideration of risks associated with hardware and IT security, including cyber security;
- Ongoing monitoring of the Risk Management Plan and the communication of issues to the board.

Michael Fienberg
Chairman, risk committee

Directors' report

The board presents its report together with the audited consolidated financial statements for the year ended 31 March 2016.

Stenprop, together with its subsidiaries, is a European property investment group incorporated in Bermuda with registration number 47031. It has dual primary listings on the Johannesburg Stock Exchange ('JSE') and the Bermuda Stock Exchange ('BSX'). The Company has complied with the requirements and provisions of the JSE and the BSX during the reporting period.

The Company's registered address is Williams House, 20 Reid Street, Hamilton HM 11, Bermuda. The board of the Company, which meets and conducts its business from Guernsey, is responsible for the management, control and strategic decision-making of the Group.

Investment strategy

Stenprop currently focuses on property investment in the United Kingdom, Germany and Switzerland with an emphasis on commercial and retail assets. Its objective is to cultivate a diversified portfolio of quality investment properties delivering sustainable and growing earnings, distributions and capital growth to shareholders. It does not generally pursue development exposure other than value add asset management and related development of existing assets to protect and improve capital values. It intends to distribute most of its earnings which are available for distribution on a bi-annual basis.

Results and dividend

The results for the period are set out in the consolidated statement of comprehensive income in the financial statements section of the annual report. On 8 June 2016, the directors declared a final dividend of 4.70 cents per share which, together with the interim dividend of 4.2 cents (2015: nil) declared on 26 November 2015, results in a total dividend for the year ended 31 March 2016 of 8.90 cents (2015: 4.2 cents). The final dividend will be a cash dividend.

Issued share capital

As at 31 March 2016 the Company's total issued share capital was 282,984,626 shares with a par value of €0.000001258 each. Stenprop has one class of share; all shares rank equally and are fully paid. With effect from 5 October 2015, the JSE approved the transfer of the Company's listing from the JSE's AltX to the JSE's Main Board. The Company now has dual primary listings on the BSX and JSE. Further details of the authorised and issued share capital are shown in note 13 to the consolidated financial statements.

Auditors

The Group's auditors have expressed their willingness to continue in office. A resolution to reappoint them as auditors of the Group will be proposed at the forthcoming annual general meeting.

Going concern

At the date of signing the accounts, the Group has positive operating cash flow forecasts and positive net assets. The directors have reviewed the Group's budgets for the year to 31 March 2017, forecasts for the period to September 2017 and the current financial position, and, in light of this review, they are satisfied that the Company and the Group have access to adequate resources to meet obligations and continue in operational existence for the foreseeable future, and specifically the 12 months subsequent to the signing of these financial statements. The directors believe that it is therefore appropriate to prepare the accounts on a going concern basis.

Annual financial statements

Highlights

€1.67	10.41 cents	7.4%	4.70 cents	6%
EPRA NAV PER SHARE	DILUTED ADJUSTED EPRA EARNINGS PER SHARE	INCREASE ON THE DILUTED ADJUSTED EPRA EPS FOR 2015	FINAL DIVIDEND PER SHARE	INCREASE IN DIVIDEND PER SHARE ON AN ANNUALISED BASIS

Stenprop Limited, which has dual primary listings on the Johannesburg Stock Exchange ('JSE') and the Bermuda Stock Exchange ('BSX'), presents its results for the year ended 31 March 2016 ('the reporting date').

Financial

- Declaration of a final dividend on 8 June 2016 of 4.70 cents per share (2015: 4.2 cents) which, together with the interim dividend declared on 26 November 2015 of 4.2 cents, results in a total dividend for the year ended 31 March 2016 of 8.90 cents per share. The final dividend is payable in cash, on 29 July 2016
- Diluted adjusted EPRA EPS* of 10.41 cents for the year ended 31 March 2016, representing a 7.43% increase on the 2015 diluted adjusted EPRA EPS of 9.69 cents. IFRS EPS was 17.70 cents (2015: 28.43 cents)
- Headline earnings for the period of 9.58 cents per share (2015: 8.20 cents)
- Net rental income of €39.6 million (2015: €19.3 million**). Profit after tax of €49.6 million (2015: €37.7 million)
- EPRA net asset value of €1.67 per share representing a 1.2% increase over the EPRA NAV at 31 March 2015 of €1.65 per share. IFRS net asset value was €1.61 per share (2015: €1.59)
- Earnings yield of 6.8% and annualised dividend yield of 5.6% on the share price of €1.54^ at 31 March 2016, or 6.2% and 5.2% respectively on the EPRA NAV of €1.67 at 31 March 2016

Operational

- Completion in May 2015 of the acquisition of a 50% interest in 25 Argyll Street, a multi-let office building located in London's West End, based on a valuation of the property of £75 million
- Refinancing of £64.6 million of debt on two London properties in May 2015 at reduced interest rates with no capital repayments
- Migration to the JSE's Main Board with effect from 5 October 2015
- Completion of the acquisition of two retail centres in central Berlin, the most recent being the Victoria Centre for €22.0 million on 24 November 2015. The first acquisition was the Hermann Quartier retail centre at a purchase price of €22.7 million in August 2015
- Disposal in January 2016 of a distribution warehouse in Leigh, north west England, at a sale price of £5.37 million, an uplift of 8.4% compared with the September 2015 valuation of £4.95 million

---

* *'EPRA' means European Public Real Estate Association. 'EPS' means earnings per share.*

** *Relates to the six month period.*

^ *JSE closing price on 31 March 2016 was ZAR25.90. ZAR:EUR rate at the same date was 16.8437*

Statement of directors' responsibilities

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

Bermudian company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the IASB. The financial statements are required to give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business for the foreseeable future, and
- follow applicable accounting standards.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 1981 of Bermuda. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Approval of annual financial statements

The consolidated annual financial statements of Stenprop Limited were approved by the Board of Directors on 8 June 2016 and are signed on their behalf by:

Michael Fienberg
Chairman of Audit Committee

Paul Arenson
Chief Executive Officer

Patsy Watson
Chief Financial Officer

Independent auditor's report

to the members of Stenprop Limited

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of Stenprop Limited and its subsidiaries, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the related notes 1 to 33.

This report is made solely to the company's members, as a body. 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.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Stenprop Limited and its subsidiaries as at March 31, 2016, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on other legal and regulatory requirements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where our engagement letter requires us to report to you if, in our opinion:

- Proper accounting records have not been kept; or
- The financial statements are not in agreement with the accounting records; or
- We have not received all the information and explanations we require for our audit.

Deloitte LLP

Deloitte LLP
Chartered Accountants

St Peter Port
Guernsey

8 June 2016

Consolidated statement of comprehensive income

	Note	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
Net rental income	6	**39,617**	19,341
Management fee income		**2,927**	1,663
Operating costs	7	**(9,287)**	(5,576)
Net operating income		**33,257**	15,428
Fair value movement of investment properties	17	**22,939**	17,956
Income from associates	19	**1,075**	455
Income from joint ventures	20	**7,820**	778
Profit from operations		**65,091**	34,617
Gain on acquisition	27	**–**	9,657
Other gains and losses	9	**–**	49
Net loss from fair value of financial liabilities	26	**(999)**	(589)
Net finance costs	10	**(11,091)**	(5,485)
Net foreign exchange (losses)/gains		**(134)**	148
Profit for the year before taxation		**52,867**	38,397
Taxation	11	**(3,284)**	(705)
Profit for the year after taxation		**49,583**	37,692
Profit attributable to:			
Equity holders		**49,266**	37,599
Non-controlling interest		**317**	93
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Fair value movement on interest rate swaps		**519**	(431)
Foreign currency translation reserve		**(20,480)**	22,051
Total comprehensive profit for the year		**29,622**	59,312
Total comprehensive profit attributable to:			
Equity holders		**29,305**	59,219
Non-controlling interest		**317**	93
		Cents	**Cents**
Earnings per share			
IFRS EPS	15	**17.70**	28.43
Diluted IFRS EPS	15	**17.66**	28.37

Results derive from continuing operations.

Consolidated statement of financial position

	Note	31 March 2016 €'000	Audited as at 31 March 2015 €'000
ASSETS			
Investment properties	17	**729,782**	695,196
Investment in associates	19	**39,298**	39,652
Investment in joint ventures	20	**37,620**	8,506
Other debtors	22	**7,403**	–
Property, plant and equipment		**3**	2
Total non-current assets		**814,106**	743,356
Cash and cash equivalents	23	**36,811**	80,430
Trade and other receivables	22	**6,367**	8,064
Total current assets		**43,178**	88,494
Total assets		**857,284**	831,850
Equity and liabilities			
Capital and reserves			
Share capital	13	**–**	–
Share premium	13	**389,927**	374,127
Equity reserve	14	**480**	–
Retained earnings		**63,426**	37,562
Foreign currency translation reserve		**1,664**	22,144
Cash flow hedge reserve		**–**	(519)
Total equity attributable to equity shareholders		**455,497**	433,314
Non-controlling interest		**2,132**	1,815
Total equity		**457,629**	435,129
Non-current liabilities			
Bank loans	25	**178,708**	296,873
Derivative financial instruments	26	**4,173**	5,108
Other loan and interest		**12**	23
Deferred tax	29	**9,705**	7,230
Total non-current liabilities		**192,598**	309,234
Current liabilities			
Bank loans	25	**188,785**	68,058
Derivative financial instruments	26	**1,769**	1,273
Accounts payable and accruals	24	**16,503**	18,156
Total current liabilities		**207,057**	87,487
Total liabilities		**399,655**	396,721
Total equity and liabilities		**857,284**	831,850
IFRS net asset value per share	16	**1.61**	1.59
EPRA net asset value per share	16	**1.67**	1.65

Consolidated statement of changes in equity

	Share capital €'000	Share premium €'000	Equity reserve €'000	Retained earnings €'000	Foreign currency trans-lation reserve €'000	Cash flow hedge reserve €'000	Attri-butable to equity share-holders €'000	Non-controlling interest €'000	Total equity €'000
Balance at 1 April 2015	**–**	**374,127**	**–**	**37,562**	**22,144**	**(519)**	**433,314**	**1,815**	**435,129**
Issue of share capital	**–**	**15,800**	**(41)**	**–**	**–**	**–**	**15,759**	**–**	**15,759**
Credit to equity for equity-settled share-based payments (note 14)	**–**	**–**	**521**	**–**	**–**	**–**	**521**	**–**	**521**
Total comprehensive profit/(loss) for the year	**–**	**–**	**–**	**49,266**	**(20,480)**	**519**	**29,305**	**317**	**29,622**
Ordinary dividends	**–**	**–**	**–**	**(23,402)**	**–**	**–**	**(23,402)**	**–**	**(23,402)**
Balance at 31 March 2016	**–**	**389,927**	**480**	**63,426**	**1,664**	**–**	**455,497**	**2,132**	**457,629**
Balance at 1 April 2014	–	21,131	–	(37)	–	5	21,099	–	21,099
Issue of share capital	–	355,854	–	–	–	–	355,854	–	355,854
Share issue and listing costs	–	(2,858)	–	–	–	–	(2,858)	–	(2,858)
Novation of SWAP contract	–	–	–	–	93	(93)	–	–	–
Total comprehensive profit/(loss) for the year	–	–	–	37,599	22,051	(431)	59,219	93	59,312
Acquisition of non-controlling interest	–	–	–	–	–	–	–	1,722	1,722
Balance at 31 March 2015	–	374,127	–	37,562	22,144	(519)	433,314	1,815	435,129

Consolidated statement of cash flows

	Note	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
Operating activities			
Profit from operations		**65,091**	34,617
Share of profit in associates	19	**(1,075)**	(455)
Increase in fair value of investment property	17	**(22,939)**	(17,956)
Increase in fair value of joint ventures	20	**(7,820)**	(778)
Exchange rate (gains)/losses		**(134)**	148
Increase in trade and other receivables		**(119)**	(3,925)
(Decrease)/Increase in trade and other payables		**(510)**	3,724
Interest paid		**(10,770)**	(5,292)
Interest received		**1,942**	1,229
Tax paid		**(1,006)**	(158)
Net cash from operating activities		**22,660**	11,154
Investing activities			
Dividends received from trading activities		**–**	11
Dividends received from associates		**2,268**	772
Dividends received from joint ventures		**420**	–
Proceeds on disposal of trading investments	21	**–**	369
Purchases of investment property		**(51,137)**	(3,414)
Proceeds on disposal of investment property	17	**6,701**	65,274
Acquisition of investment in an associate	19	**–**	(5,411)
Acquisition of investment in joint venture	20	**(26,782)**	–
Acquisition of subsidiary	28	**–**	(83,913)
Cash obtained on acquisition of subsidiaries	27/28	**–**	42,621
Net cash (used in)/from investing activities		**(68,530)**	16,309
Financing activities			
Dividends paid		**(15,070)**	–
Repayment of borrowings		**(41,477)**	(23,004)
Proceeds on issue of ordinary share capital		**–**	35,000
Listing costs paid		**–**	(1,688)
Financing fees paid		**(1,246)**	(846)
Unutilised facility fee paid		**–**	(59)
SWAP break fee		**(571)**	–
New bank loans raised	25	**60,368**	41,016
Repayment of loan advances		**95**	–
Net cash from financing activities		**2,099**	50,419
Net (decrease)/increase in cash and cash equivalents		**(43,771)**	77,882
Effect of foreign exchange rate changes		**152**	877
Cash and cash equivalents at beginning of the year		**80,430**	1,671
Cash and cash equivalents at end of the year		**36,811**	80,430

Notes to the financial statements

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the IASB, the JSE Listing Requirements and the BSX Listing Regulations and applicable law. The financial statements have been prepared on the historical cost basis, except for the revaluation of investment properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies which are consistent with those applied in the previous annual financial statements, and are set out below.

In addition, for financial reporting purposes, fair value measurements are categorised into level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly.

Level 3 – Inputs are unobservable inputs for the asset or liability.

The financial statements are presented in Euros.

Going concern

At the date of signing these accounts, the Group has positive operating cash flow forecasts and positive net assets. The directors have reviewed the Group's budgets for the year to 31 March 2017, forecasts for the period to September 2017 and the current financial position, and, in light of this review, they are satisfied that the Company and the Group have access to adequate resources to meet obligations and continue in operational existence for the foreseeable future, and specifically the 12 months subsequent to the signing of these financial statements.

The cash flow forecasts take into account projected income and expenses; possible changes in the investment property portfolio, including exposure to tenant credit risk; lease expiries; the raising of additional capital; external debt; refinancings which have occurred and are expected to occur subsequent to the reporting date and forecast financial loan covenants. The expiry of the Swiss and Bleichenhof debt during the twelve month period after 31 March 2016 is primarily responsible for the increased level of bank loans shown under Current Liabilities in the consolidated statement of financial position, which at 31 March 2016 is €188.8 million. Stenprop has seen evidence of significant liquidity in both the German and Swiss lending markets, particularly at the levels of gearing shown by the properties in question. Stenprop has strong refinancing experience, having successfully negotiated £64.6m of debt on two London properties in May 2015 at reduced rates and with no capital repayments. Given the strength of the assets and the level of existing gearing, Stenprop expects to secure favourable all-in interest rates, with no capital repayments, on refinancing.

As mentioned earlier in this report, the Nova Eventis shopping centre near Leipzig, in which the Group has a 28.4% interest, is currently being marketed for sale. The current lenders have agreed to extend the loan, which matures on 24 July 2016 for a period of six months to 24 January 2017 on terms which are substantially the same as the current terms. Should a decision be taken not to sell the property for any reason, the directors of SESCF anticipate that, given the quality of the property and the strong relationships with German lenders, a refinancing on favourable terms can be secured. Stenprop agrees with this assessment.

The directors believe that it is therefore appropriate to prepare the accounts on a going-concern basis. Note 30 to the financial statements includes the Group's objectives, policies and procedures for managing its market, interest and liquidity risk.

Notes to the financial statements

2. Adoption of new and revised standards

In the current period the following new and revised standards have been adopted. Their adoption has not had any material impact on the disclosures or the amounts reported in these financial statements:

- Annual improvement to IFRS 2010 – 2012 cycle
- Annual improvement to IFRS 2011 – 2013 cycle
- IAS 19 Defined benefit plans: Employee contributions

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

IFRS 9	Financial instruments (1 January 2018)
IFRS 14	Regulatory deferral accounts (1 January 2016)
IFRS 15	Revenue from contracts with customers (1 January 2018)
IFRS 11 (amendments)	Accounting for acquisitions of interests in joint operations (1 January 2016)
IFRS 16	Leases (1 January 2019)
IAS 1 (amendments)	Disclosure initiative (1 January 2016)
IAS 7 (amendments)	Disclosure initiative (1 January 2017)
IAS 12 (amendments)	Recognition of deferred tax assets for unrealised losses (1 January 2017)
IAS 16 and IAS 38	Clarification of acceptable methods of depreciation and amortisation (1 January 2016)
IAS 27 (amendments)	Equity method in separate financial statements (1 January 2016)
IFRS 10 and IAS 28 (amendments)	Sale or contribution of assets between an Investor and its associate or joint venture (deferred indefinitely)
IFRS 10, IFRS 12 and IAS 28 (amendments)	Investment entities: Applying the consolidation exemptions (1 January 2016)
Annual improvements to IFRS: 2012 – 2014 cycle (1 January 2016)	Amendment to: IFRS 5/IFRS 7/IAS 19/IAS 34

Management are in the process of assessing these standards and do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Group in the forthcoming period.

3. Significant accounting policies

Basis of consolidation

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, the results of the subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (ie reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39 Financial Instruments: Recognition and Measurement or, when applicable, the costs on initial recognition of an investment in an associate or jointly controlled entity.

Business combinations

The Group applies the acquisition method to account for business combinations. The cost of the acquisition is measured at the aggregate of the fair values, at the date of completion, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquired. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquisition and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a gain on acquisition.

Notes to the financial statements

3. Significant accounting policies continued

Investments in associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant interest is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Under the equity method, an investment in associate 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 associate.

Joint ventures

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

The consolidated financial statements account for interests in joint ventures using the equity method of accounting per IFRS 11.

Revenue recognition

The Group earns returns from investments in direct property assets and management fees. Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of revenue can be measured reliably.

Revenue includes amounts receivable in respect of property rental income and service charges earned in the normal course of business, net of sales-related taxes.

Rental income from operating leases is recognised on an accrual basis. A rent adjustment based on open market estimated rental value is recognised from the rent review date in relation to unsettled rent reviews. Where a significant rent-free period is included in a lease, the rental income foregone is allocated evenly over the period from the date of lease commencement to the expiry date of the lease.

Rental income from fixed and minimum guaranteed rent reviews is recognised on a straight-line basis over the entire lease term. Where such rental income is recognised ahead of the related cash flow, an adjustment is made to ensure the carrying value of the investment property including the accrued rent does not exceed the external valuation. Initial significant direct costs incurred in negotiating and arranging a new lease are amortised on a straight-line basis over the period from the date of lease commencement to the expiry date of the lease.

Where a lease incentive payment, or surrender premium is paid to enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the expiry date of the lease. Upon receipt of a surrender premium for the early determination of a lease, the profit, net of dilapidations and non-recoverable outgoings relating to the lease concerned, is immediately reflected in income.

Contingent rents, such as turnover rents, rent reviews and indexation, are recorded as income in the periods in which they are earned.

Management fees are recognised in the income statement on an accrual basis.

Revenue recognition continued
Service charge income is recognised in the accounting period in which the services are rendered and the related property expenses are recognised in the period in which they are incurred.

Dividend income from listed securities is recognised at the date the dividend is declared. Interest income is recognised in the consolidated statement of comprehensive income under the effective interest method as it accrues.

Foreign currencies
The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position are expressed in Euros, which is the functional currency of the Group and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences are recognised in profit or loss for the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

Borrowing costs
Interest costs are recognised in the consolidated statement of comprehensive income using the effective interest rate method.

Borrowing costs directly attributable to arranging finance are amortised over the facility term in the consolidated statement of comprehensive income.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax, in those jurisdictions where the property companies are registered, namely Germany, Switzerland and the United Kingdom. In addition, Stenprop Management Limited incurs tax in the United Kingdom.

Current tax
Tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the financial statements

3. Significant accounting policies continued

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Non-controlling interest
Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of the changes in equity since the date of the combination. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Investment properties
Properties held to earn rentals and/or for capital appreciation are classified as investment properties. Investment properties comprise both freehold and leasehold land and buildings.

Investment properties are recognised as assets when:

- it is probable that the future economic benefits that are associated with the investment property will flow to the Group;
- there are no material conditions precedent which could prevent completion, and
- the cost of the investment property can be measured reliably.

Investment properties are measured initially at cost, including related transaction costs. After initial recognition, investment properties are carried at fair value.

The Group uses the valuations prepared by its independent valuers as the fair value of its investment properties. These valuations are undertaken in accordance with the appropriate sections of the current Practice Statements contained in the Royal Institution of Chartered Surveyors Valuation – Professional Standards (Red Book). This is an internationally accepted basis of valuation. The valuations are based upon assumptions including contractual and estimated rental values, future rental income, anticipated maintenance costs, future development costs and appropriate discount rates. The valuers also make reference to market evidence of transaction prices for similar properties.

The difference between the fair value of a property at the reporting date and its carrying amount prior to remeasurement is included in the consolidated statement of comprehensive income as a valuation surplus or deficit.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less.

Expenditure
Expenses are accounted for on an accrual basis.

Financial instruments
Classification
A financial instrument is a contract that gives rise to a financial asset to one entity and a financial liability or equity instrument to another. The classification of financial assets and financial liabilities depends on the nature and purpose of the instrument and is determined at the time of initial recognition. Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

Measurement
Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss (FVTPL)) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transactions costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in the statement of comprehensive income.

Financial assets
The Group classifies its financial assets as either at fair value through profit and loss or as loans and receivables.

Recognition and derecognition
Purchases and sale of listed securities are recognised on the trade date which is when the Group commits to purchase or sell the assets. Other financial assets are recognised when the Group becomes party to the contractual provisions of the instrument.

After initial recognition, the Group measures the financial assets designated at FVTPL at fair values without any deduction for transaction costs it may incur on their disposal.

The fair value of quoted financial assets is their bid price at the financial year-end. If the market for a financial asset is not active, the fair value is estimated using valuation techniques. These include a review of recent arm's length transactions, references to current fair market value of another instrument that is substantially the same as that being valued and discounted cash flow analysis. Where discounted cash flow analysis is used, estimated future cash flows are based on management's estimates and the discount rate is a market-related rate at the financial year-end for a financial asset with similar terms and conditions. Where other pricing models are used, inputs are based on observable market indicators at the financial year-end.

Realised and unrealised gains and losses arising from changes in fair value of financial assets at FVTPL are included in the statement of comprehensive income in the period in which they arise.

Loan and receivables are measured at amortised cost using the effective interest method, less impairment losses which are recognised in the statement of comprehensive income. Financial liabilities are measured at amortised cost using the effective interest method. In the case of short-term trade receivables and payables, the impact of discounting is not material and cost approximates amortised cost.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership of the asset to another entity.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They include current assets with maturities or terms greater than 12 months after the reporting dates which are classified as non-current assets.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Notes to the financial statements

3. Significant accounting policies continued

Impairment of financial assets
Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when 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 investments have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial reorganisation.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and present value of the estimated future cash flows, discounted at the financial assets original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets, with the exception of trade receivables, where the carrying amount is reduced through the use of a provision account. When a trade receivable is considered uncollectable, it is written off against the provision account. Changes in the carrying amount of the provision account are recognised in the statement of comprehensive income in the period.

For financial assets measured at amortised cost if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the statement of comprehensive income to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual agreement.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all its liabilities. Ordinary shares are classed as equity. Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

Financial liabilities
The Group's financial liabilities comprise interest-bearing borrowings, loans and payables and trade payables.

Recognition and derecognition
Financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or they expire.

Derivatives
Interest rate swaps have been initially recognised at fair value, and subsequently remeasured at fair value in accordance with IAS 39, Financial Instruments: Recognition and Measurement. They have been entered into in order to hedge against the exposure to variable interest rate loans as described in note 26. They have been valued by an Independent valuer in line with internationally accepted practice.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Trade and other receivables
These are valued at their nominal value (less accumulated impairment losses) as the time value of money is immaterial for these current assets. Impairment losses are estimated at the year-end by reviewing amounts outstanding and assessing the likelihood of recoverability.

Trade and other payables
Trade and other payables are valued at their nominal value as the time value of money is immaterial for these current liabilities.

Provisions
A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the obligation can be reliably measured. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects the current market assessments of the time value of money and where appropriate, the risks specific to the obligation.

Dividends
Dividends to the Group's ordinary shareholders are recognised when they are declared. This is when they are approved by the board.

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

Share-based payments
Share options were granted to key management as part of the acquisition of the management companies in October 2014, and subsequently under the Deferred Share Bonus Plan. The cost of equity settled transactions is measured with reference to the fair value at the date at which they were granted. The Group accounts for the fair value of these options at grant date over the vesting period in the income statement, with a corresponding increase to the share-based payment reserve, included as part of the equity reserve in the statement of financial position.

The fair value of the options granted is determined using the Black-Scholes Option Pricing Model, which takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the Group's share price over the life of the option and other relevant factors. Readers are referred to note 14 share-based payments, where key assumptions are further disclosed. Full IFRS 2: Share-based payments disclosure is not required as management considers the impact to be immaterial . The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest.

4. Critical accounting judgements and key sources of estimation uncertainty

Judgements and estimates
The preparation of the financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. Although the estimates are based on management's best knowledge of the amount, events or actions, actual results may ultimately differ from those estimates.

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

Business combinations
In accounting for the Stenham Transaction (being the acquisition of the property companies and management companies detailed in note 27), the directors have been required to make a number of key judgements, namely the acquisition date for the transaction, whether to account for the transaction as separate individual transactions or as one transaction, the fair value of assets and liabilities acquired, and the fair value of actual and deferred consideration.

4. Critical accounting judgements and key sources of estimation uncertainty continued

Investment properties

The Group's investment properties are stated at estimated fair value, determined by directors, based on independent external appraisals. The valuation of the Group's property portfolio is inherently subjective due to a number of factors including the individual nature of each property, its location and the expectation of future rentals. As a result, the valuations placed on the property portfolio are subject to a degree of uncertainty and are made on the basis of assumptions that may not prove to be accurate particularly in years of volatility or low transaction flow in the market. The estimated market value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. As a result, if the assumptions prove to be false, actual results of operations and realisation of net assets could differ from the estimates set forth in these financial statements, and the difference could be significant. In the UK, the Group's valuers, JLL have noted that the uncertainty surrounding the outcome of the UK's membership of the EU is impacting some occupier and investment decisions. While these influences are expected to lift if there is a decision to remain in the EU, if the decision is to exit, the current uncertainty may continue which could lead to reduced investment volumes and liquidity.

Associates

The Group holds an investment in Stenham European Shopping Centre Fund Limited ('SESCF'). In January 2016, external property agents were appointed to market the sole asset owned by SESCF, known as Nova Eventis, for sale. The current lenders have agreed to extend the loan, which matures on 24 July 2016 for a period of six months to 24 January 2017 on terms which are substantially the same as the current terms. Should a decision be taken not to sell the property for any reason, the directors of SESCF anticipate that, given the quality of the property, relationship with German lenders and the existing level of gearing, a refinancing on favourable terms can be secured. As such, the consolidated accounts of SESCF show the investment property as held for sale and its accounts have been prepared on a going concern basis. Stenprop Limited has therefore deemed it appropriate to continue to disclose the investment in associate relating to SESCF as a non-current asset. Readers are referred to the commentary (page 6) and the going concern paragraph in note 1 where this is discussed in further detail.

Hedge accounting

As at 31 March 2015, the Group designated certain derivative hedging instruments as cash flow hedges. The effective portion of changes in the fair value of derivatives that were designated and qualified as cash flow hedges were recognised in other comprehensive income. The gain or loss relating to the ineffective portion was recognised immediately in profit or loss.

On 30 September 2015, the Group discontinued hedge accounting for all interest rate swaps and as such any gain or loss is recognised immediately in the statement of comprehensive income. The decision was taken in order to reduce the costs associated with the initial and ongoing assessment of hedge effectiveness as well as to simplify financial derivative reporting requirements. Whilst this is not strictly in accordance with IFRS, the directors do not consider departure to be material. At the time of this designation, the loss accumulated in equity of €519,000 was immediately recognised in the statement of comprehensive income.

Deferred tax assets and liabilities

Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority. In such cases, provision is made for the amount that is expected to be settled, where this can be reasonably estimated. This requires the application of judgement as to the ultimate outcome, which can change over time depending on facts and circumstances. A change in estimate of the likelihood of a future outflow and/or in the expected amount to be settled would be recognised in income in the period in which the change occurs.

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the assets when they do reverse. This requires assumptions regarding future profitability and is therefore inherently uncertain. To the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in respect of deferred tax assets as well as in the amounts recognised in income in the period in which the change occurs.

Deferred tax assets and liabilities are presented in note 29.

5. Operating segments

The Group is focused on real estate investment in well-developed, large economies with established real estate markets. The investment portfolio is geographically diversified across Germany, the United Kingdom and Switzerland, and these geographical locations provide the basis of the business segments identified by the Group. Each segment derives its revenue from the rental of investment properties in the respective geographical regions.

Relevant financial information is set out below:

i) Information about reportable segments

	Germany €'000	United Kingdom €'000	Switzerland €'000	Total €'000
For the year ended 31 March 2016				
Net rental income	11,713	19,883	8,021	39,617
Fair value movement of investment properties	12,228	16,242	(5,531)	22,939
Net (loss)/gain from fair value of financial liabilities	(175)	(2,319)	1,495	(999)
Income from associates	1,075	–	–	1,075
Income from joint ventures	2,569	4,826	–	7,395
Net finance costs	(2,950)	(5,626)	(2,515)	(11,091)
Operating costs	(794)	(288)	(605)	(1,687)
Total profit per reportable segments	23,666	32,718	865	57,249
As at 31 March 2016				
Investment properties	252,510	321,532	155,740	729,782
Investment in associates	39,298	–	–	39,298
Investment in joint ventures	10,329	27,250	–	37,579
Cash	10,435	15,053	3,395	28,883
Other	9,687	2,277	1,178	13,142
Total assets	322,259	366,112	160,313	848,684
Borrowings – bank loans	(145,913)	(134,512)	(87,068)	(367,493)
Other	(9,154)	(12,231)	(7,826)	(29,211)
Total liabilities	(155,067)	(146,743)	(94,894)	(396,704)

Notes to the financial statements

	Germany €'000	United Kingdom €'000	Switzerland €'000	Total €'000
5. Operating segments continued				
i) Information about reportable segments continued				
For the year ended 31 March 2015				
Net rental income	4,860	10,547	3,934	**19,341**
Fair value movement of investment properties	2,059	16,375	(478)	**17,956**
Net loss/(gain) from fair value of financial liabilities	34	242	(865)	**(589)**
Income from associates	246	–	–	**246**
Income from joint ventures	778	–	–	**778**
Net finance costs	(1,463)	(3,096)	(926)	**(5,485)**
Operating costs	(396)	(807)	(231)	**(1,434)**
Gain on acquisition	5,668	20,295	3,057	**29,020**
Total profit per reportable segments	11,786	43,556	4,491	**59,833**
As at 31 March 2015				
Investment properties	191,704	336,235	167,257	**695,196**
Investment in associates	39,611	–	–	**39,611**
Investment in joint venture	8,506	–	–	**8,506**
Cash	46,687	27,083	4,558	**78,328**
Other	2,763	2,111	910	**5,784**
Total assets	289,271	365,429	172,725	**827,425**
Borrowings – bank loans	(125,417)	(144,372)	(95,142)	**(364,931)**
Other	(5,403)	(12,892)	(9,763)	**(28,058)**
Total liabilities	(130,820)	(157,264)	(104,905)	**(392,989)**

5. Operating segments continued

ii) Reconciliation of reportable segment profit or loss

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
Rental income		
Net rental income for reported segments	**39,617**	19,341
Profit or loss		
Fair value movement of investment properties	**22,939**	17,956
Net loss from fair value of financial liabilities	**(999)**	(589)
Income from associates	**1,075**	246
Income from joint ventures	**7,395**	778
Net finance costs	**(11,091)**	(5,485)
Operating costs	**(1,687)**	(1,434)
Gain on acquisition	**–**	29,020
Total profit per reportable segments	**57,249**	59,833
Other profit or loss – unallocated amounts		
Management fee income	**2,927**	1,664
Income from associates	**–**	209
Income from joint ventures	**425**	–
Loss on acquisition	**–**	(19,364)
Tax, legal and professional fees	**(446)**	(213)
Audit fees	**(250)**	(313)
Administration fees	**(356)**	(188)
Non-executive directors	**(214)**	(97)
Staff remuneration costs	**(4,289)**	(2,073)
Other operating costs	**(2,045)**	(1,258)
Other gains and losses	**–**	49
Net foreign exchange gain/(loss)	**(134)**	148
Consolidated profit before taxation	**52,867**	38,397

Notes to the financial statements

	31 March 2016 €'000	Audited as at 31 March 2015 €'000
5. Operating segments continued		
iii) Reconciliation of reportable segment financial position		
ASSETS		
Investment properties	**729,782**	695,196
Investment in associates	**39,298**	39,611
Investment in joint venture	**37,579**	8,506
Cash	**28,883**	78,328
Other	**13,142**	5,784
Total assets per reportable segments	**848,684**	827,425
Other assets – unallocated amounts		
Investment in associates	**41**	41
Cash	**7,928**	2,102
Other	**631**	2,282
Total assets per consolidated statement of financial position	**857,284**	831,850
LIABILITIES		
Borrowings – bank loans	**(367,493)**	(364,931)
Other	**(29,211)**	(28,058)
Total liabilities per reportable segments	**(396,704)**	(392,989)
Other liabilities – unallocated amounts		
Other	**(2,951)**	(3,732)
Total liabilities per consolidated statement of financial position	**(399,655)**	(396,721)

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
6. Net rental income		
Rental Income	**43,458**	20,602
Other income – tenant recharges	**7,632**	2,896
Other income	**201**	669
	51,291	24,167
Direct property costs	**(11,674)**	(4,826)
Total net rental income	**39,617**	19,341
7. Operating costs		
Tax, legal and professional fees	**1,200**	757
Audit fees	**340**	303
Administration fees	**466**	219
Investment advisory fees	**519**	641
Non-executive directors (refer note 8)	**214**	97
Staff remuneration costs (refer note 8)	**4,289**	2,073
Other operating costs	**2,259**	1,486
	9,287	5,576

Notes to the financial statements

8. Employees' and directors' emoluments

The Group had 15 (2015: 20) employees at year end and incurred €3,942,000 (2015: €1,866,000) in wages and salaries and €347,000 (2015: €207,000) in related social security costs and pension charges during the year.

Their aggregate remuneration for the period including that of executive directors is:

	Year ended 31 March 2016 €'000	**Audited for the year ended 31 March 2015 €'000**
Wages and salaries (excluding key management)	**2,396**	1,456
Key management remuneration	**1,546**	410
Social security costs	**246**	120
Other pension costs	**101**	87
	4,289	2,073

The comparative figures relate to the period 2 October 2014, being the effective date of the acquisition of the management companies, to 31 March 2015. No bonuses were paid in the prior year.

As at 31 March 2016 the Group had 9 directors (2015: 9). The directors of the Company during the financial year and at the date of this report were as follows:

	Appointed	**Change in appointment**
Non-executive directors		
G Leissner (Chairman)	03/12/2012	
D Brown*	25/09/2013	04/04/2016
J Keyes	26/10/2012	
M Yachad	10/12/2014	
M Fienberg	02/10/2014	
S Ball	02/10/2014	
P Hughes	04/04/2016	
Executive directors		
P Arenson (CEO)	02/10/2014	
P Watson (CFO)	02/10/2014	
N Marais	02/10/2014	

* *D Brown resigned on 4 April 2016*

8. Employees' and directors' emoluments continued

The Group pays remuneration to executive directors which amounted to €1,546,000 (2015: €410,000) and non-executive directors which amounted to €214,000 (2015: €97,000) for the period. A breakdown of directors' remuneration is provided below:

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
Executive directors		
P Arenson (appointed 2 October 2014)	**718**	181
P Watson (appointed 2 October 2014)	**574**	143
N Marais (appointed 2 October 2014)	**254**	86
	1,546	410
Directors' emoluments include basic salary and bonus, vested share options, pension contributions and other benefits. The comparative figures relate to the period 2 October 2014, being the effective date of acquisition of the management companies, to 31 March 2015. No bonuses were paid in the prior year.		
Non-executive directors		
J Keyes	**20**	12
G Leissner	**50**	25
D Brown (resigned 4 April 2016)	**14**	8
M Fienberg (appointed 2 October 2014)	**75**	23
S Ball (appointed 2 October2014)	**44**	19
M Yachad (appointed 10 December 2014)	**11***	3*
P Hughes (appointed 4 April 2016)	**–**	–
H Esterhuizen (resigned 2 October 2014)	**–**	3
C Josling (resigned 2 October 2014)	**–**	3
S Melnick (resigned 2 October 2014)	**–**	1
	214	97

** These fees were paid to Peregrine SA Holdings Proprietary Limited.*

The above non-executive fees include all management, consulting, technical or other fees paid for such services rendered, including payments to management companies.

Notes to the financial statements

8. Employees' and directors' emoluments continued

On 8 June 2016, the board of directors, on the recommendation of the remuneration committee, approved the following:

	Bonuses in respect of the year ended 31 March 2016			Share Purchase Plan^	
	Cash bonus €'000	Deferred Share Bonus Plan* €'000	Number of shares	Loans €'000	Number of shares
Executive directors					
Paul Arenson	**158**	**158**	**115,248**	**2,600**	**1,843,972**
Patsy Watson	**127**	**127**	**92,199**	**2,080**	**1,475,177**
Neil Marais	**40**	**22**	**15,847**	**126**	**89,317**
	325	**307**	**223,294**	**4,806**	**3,408,466**

Based on the year end exchange rate of £1:€1.2653

On 10 June 2015, the board of directors, on the recommendation of the remuneration committee, approved the following:

	Bonuses in respect of the year ended 31 March 2015			Share Purchase Plan^	
	Cash bonus €'000	Deferred Share Bonus Plan* €'000	Number of shares	Loans €'000	Number of shares
Executive directors					
Paul Arenson	171	256	179,266	3,813	2,666,667
Patsy Watson	137	205	143,413	3,122	2,183,333
Neil Marais	53	21	14,341	158	110,428
	361	482	337,020	7,093	4,960,428

Based on the year end exchange rate of £1:€1.3672

** Share options vest in three equal tranches and are accounted for as share-based payments (see note 3). The first tranche vests on grant. Subsequent tranches will vest in accordance with the rules of the Deferred Share Bonus Plan at the end of the relevant year.*

^ Loans advanced under the share purchase plan are interest-bearing at a rate equal to the average interest rate incurred by the Group from time to time. Interest is payable six monthly in arrear. Loans are repayable within 30 days of cessation of employment (unless the participant ceases employment in circumstances beyond his or her control, in which case the loan is repayable within 12 months), and must in all circumstances be repaid in 10 years. All dividends paid to such employees (or his or her nominee) by virtue of their shareholding, must first be utilised to discharge any interest outstanding in terms of the loan advanced in terms of the Share Purchase Plan.

8. Employees' and directors' emoluments continued

Directors' interests - Beneficial direct and indirect holdings in the Company

	Direct number of shares	% of shares	Indirect number of shares	% of shares	Number of share options held	% of shares
31 March 2016						
G Leissner (Chairman)	**–**		**359,409**	**0.13**	**–**	
D Brown	**–**		**–**		**–**	
J Keyes	**–**		**–**		**–**	
M Yachad	**–**		**–**		**–**	
M Fienberg	**–**		**114,994**	**0.04**	**–**	
S Ball	**–**		**250,000**	**0.09**	**–**	
P Arenson (CEO)	**97,783**	**0.03**	**8,854,419**	**3.13**	**236,894**	**0.05**
P Watson (CFO)	**–**		**2,183,333**	**0.77**	**189,515**	**0.05**
N Marais	**–**		**120,283**	**0.04**	**19,646**	
31 March 2015						
G Leissner (Chairman)	–		359,409	0.13	–	
D Brown	–		–		–	
J Keyes	–		–		–	
M Yachad	–		–		–	
M Fienberg	–		114,994	0.04	–	
S Ball	–		250,000	0.09	–	
P Arenson (CEO)	97,783	0.04	4,774,041	1.75	145,782*	0.05
P Watson (CFO)	–		–		145,782*	0.05
N Marais	–		–		–	

**In terms of the Stenham Transaction (detailed in note 27) 145,782 ordinary share options valued at €200,000 at the time of the transaction, were awarded to each of P Watson and P Arenson on 2 October 2014 at a strike price of €1.37. These share options vest over a two-year period on 30 September 2015 and 30 September 2016 respectively, subject to the directors still being in the employ of the Group at vesting date. None of the options available for exercise had been exercised at 31 March 2016.*

The Directors' interests have not changed to the date of the signing of these financial statements.

Notes to the financial statements

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
9. Other gains and losses		
Loss on disposal of subsidiaries	**–**	(25)
Dividends received from investments	**–**	8
Fair value movement on financial investments (refer note 21)	**–**	66
	–	49
10. Net finance costs		
Interest receivable:		
Cash and cash equivalents	**174**	9
	174	9
Finance costs		
Bank interest payable	**(10,787)**	(5,137)
Unutilised facility fee	**–**	(59)
Amortisation of facility costs	**(478)**	(298)
	(11,265)	(5,494)
Net finance costs	**(11,091)**	(5,485)

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
11. Taxation		
(i) Tax recognised in profit and loss		
Income tax in respect of current year	**618**	578
Deferred tax (see note 29)	**2,666**	127
Total tax expense	**3,284**	705

No tax was recognised on other comprehensive income during the period (2015: nil).

The Company is subject to the standard rate of corporate income tax of 0% in Bermuda. As the tax expense arises in jurisdictions outside of Bermuda, a full tax reconciliation of the relationship between the tax expense and accounting loss has not been included in these financial statements. The Group incurs tax on rental income from its investment properties, after deduction for allowable rental expenses. The rate of corporate income tax depends on the jurisdiction in which the property is situated being:

- Germany 15.825%
- United Kingdom 20%
- Switzerland (depending on the district in which the property is situated). Average rate of 19.6%.

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
(ii) Recognition of tax charge for the year		
Profit for the year before taxation	**52,867**	38,397
Tax provided at applicable rate in Bermuda	**–**	–
Tax charge in respect of different jurisdictions	**(3,284)**	(705)
Profit for the year after taxation	**49,583**	37,692

	31 March 2016 €'000	Audited 31 March 2015 €'000
12. Dividends		
Amounts recognised as distributions to equity holders in the period:		
Final dividend for the prior year	**11,654**	–
Interim dividend for the current year	**11,748**	–
	23,402	–

On 11 June 2015, the directors of the Company declared a final dividend of 4.2 cents per share in respect of the year ended 31 March 2015 equating to €11,654,000 (2014: nil). This was paid on 16 July 2015. An interim dividend of 4.2 cents per share equating to €11,748,000 (2015: €nil) was declared on 26 November 2015 and paid on 25 January 2016. Both dividends were offered to shareholders as cash, with a scrip alternative. In respect of this scrip dividend offering, a scrip dividend take up of 29.48% of the final dividend and 41.5% of the interim dividend was recorded and new ordinary shares issued to shareholders accordingly. This is further detailed in note 13.

The Directors declared a final dividend on 8 June 2016 for the year ended 31 March 2016, of 4.70 cents per share which is payable in cash, on 29 July 2016. The payment of this dividend will not have any tax consequences for the Group.

Notes to the financial statements

	31 March 2016 €'000	Audited 31 March 2015 €'000
13. Share capital		
Authorised		
1,000,000,000 ordinary shares with a par value of €0.000001258 each	**1**	1

	Year ended 31 March 2016	Audited for the year ended 31 March 2015
Issued share capital		
Opening balance	**272,236,146**	15,986,003
Issue of new shares	**10,748,480**	256,250,143
Closing number of shares issued	**282,984,626**	272,236,146

	€'000	€'000
Share capital	**–**	–
Share premium	**392,785**	376,985
Less: Acquisition/transaction costs	**(2,858)**	(2,858)
Total share premium	**389,927**	374,127

There were no changes made to the number of authorised shares of the Company during the year under review. Stenprop Limited has one class of share; all shares rank equally and are fully paid. With effect from 5 October 2015, the Johannesburg Stock Exchange (JSE) approved the transfer of the Company's listing from the JSE's AltX to the JSE's Main Board. The transfer does not affect the Company's current listing on the Bermuda Stock Exchange (BSX).

The Company has 282,984,626 (March 2015: 272,236,146) ordinary shares in issue at the reporting date which have dual primary listings on the BSX the JSE.

On 11 June 2015, a dividend of 4.2 cents per share was declared in respect of the year ended 31 March 2015. The record date for the dividend was 10 July 2015. On the payment date, 16 July 2015 the owners of 277,463,048 shares were entitled to receive the dividend resulting in an overall dividend payment of €11,654,000. From this total, 2,257,894 new ordinary shares were issued in respect of the scrip dividend offering for the year ended 31 March 2015, representing a scrip dividend take up of 29.48%.

On 30 June 2015, 5,209,109 and 17,793 new ordinary shares were issued on the BSX and JSE at an issue price of €1.43 per share in respect of a Share Purchase Plan and Deferred Share Bonus Plan respectively.

On 31 March 2016, 9,827 new ordinary shares were issued in respect of the Deferred Share Bonus Plan. These shares subsequently listed on the BSX and JSE at an issue price of €1.54 per share on 5 April 2016.

On 26 November 2015, the Company announced an interim dividend of 4.2 cents per share in respect of the six months to 30 September 2015. On 25 January 2016, the Company announced a 41.5% take up of the scrip dividend for which 3,253,857 new Stenprop shares were issued at an issue price of €1.49854 per share.

Major shareholders

As at the financial year end there were 3,185 shareholders in the Company. In terms of the Companies Act 1981 of Bermuda, there is no requirement for registered shareholders to disclose their beneficial shareholdings and accordingly, the Company provides disclosure on the shareholdings where this information is provided to the Company. Known shareholders holding in excess of 5% of the Company's share capital are detailed below:

Beneficial shareholder greater than 5%	Percentage of issued share capital
Peregrine Holdings Limited (direct and indirect interest)	6.41

14. Share-based payments

The Group operates two share incentive plans which are used to attract and retain high-calibre employees to help grow the business. Awards are recommended by the remuneration committee and are subject to board approval. The incentive plans are discussed in more detail below:

Deferred share bonus plan

The board may grant an award to an eligible employee following a recommendation from the remuneration committee over such number of shares that have an aggregate value equal to the deferred bonus. Such share options vest in three equal tranches. The first tranche vests on the date of grant with subsequent tranches vesting at the first and second anniversaries of the relevant year-end. Share options may be exercised until the tenth anniversary of the grant date, after which time they will lapse.

The below table summarises the position at year end in terms of the number of share options granted and exercised in the period. All share options were granted at nil cost. Further details relating to share options issued to executive directors are disclosed in note 8.

	31 March 2016	31 March 2015
Number of share options		
Outstanding at beginning of year	**–**	–
Granted during year	**376,059**	–
Exercised during year	**(27,620)**	
Other	**7,803**	–
Outstanding at end of year	**356,242**	–
Exercisable at the end of the year	**225,966**	–

The fair value of the options was calculated using the Black Scholes pricing model. The aggregate of the fair value expense of options granted at 31 March 2016 was €42,110 (2015: n/a). The table below sets out the assumptions made for the purposes of this valuation.

Stock price at year end	(€)	**€1.54**	n/a
Weighted average exercise price		**–**	n/a
Compounded risk-free interest rate	(%)	**1.50**	n/a
Volatility	(%)	**22**	n/a
Expected life	(years)	**10**	n/a

The Group recognised a total share based payment expense of €521,000 (2015: nil) during the year relating to share-based payment transactions and holds an Own Shares Equity Reserve at 31 March 2016 of €480,000 (2015: nil).

Share purchase plan

Loans advanced under the share purchase plan are interest-bearing at a rate equal to the average interest rate incurred by the Group from time to time. Interest is payable six monthly in arrear. Loans are repayable within 30 days of cessation of employment (unless the participant ceases employment in circumstances beyond his or her control, in which case the loan is repayable within 12 months), and must in all circumstances be repaid in 10 years. All dividends received by such employees (or his or her nominee) by virtue of their shareholding, must first be utilised to discharge any interest outstanding in terms of the loan advanced in terms of the Share Purchase Plan.

The below table summarises the position at year end in terms of loans advanced and the number of shares to which they relate. Loans relating to the Share Purchase Plan issued to executive directors are disclosed in more detail in note 8.

		31 March 2016	31 March 2015
Share purchase plan (issued 30 June 2015)	(number of shares)	**5,209,109**	–
Share purchase plan loans advanced (including accrued interest)	(€'000)	**7,403**	–

Other share options

At the time of the Stenham Transaction, 2 October 2014, the Company committed to issue 291,564 ordinary shares at a strike price of €1.37 to two directors, the value of which was €400,000 at the time. These share options vest over a two-year period on 30 September 2015 and 30 September 2016, subject to the directors still being in the employ of the Group at vesting date. At the year end, half of the options had vested and none had been exercised. Although this represents a share-based payment under IFRS 2: Share-based payments, this has been treated as a cost of the shares issued as part of the Stenprop Transaction and has been classified as a liability. This treatment is not consistent with the Group's policy to recognise the fair value of share-based payments in a share-based payment reserve over the vesting period; however, the directors consider the impact of the difference in treatment to be immaterial.

Notes to the financial statements

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
15. Earnings and net asset value per ordinary share		
Reconciliation of profit for the period to adjusted EPRA[1] earnings		
Earnings per IFRS income statement attributable to shareholders	**49,266**	37,599
Adjustments to calculate EPRA earnings exclude:		
Changes in fair value of investment properties	**(22,939)**	(17,956)
Reversal of provision for selling costs	**–**	–
Reversal of gain on acquisition	**–**	(9,657)
Reversal of impairment of goodwill	**–**	–
Changes in fair value of financial instruments	**999**	589
Deferred tax in respect of EPRA adjustments	**2,666**	127
Adjustments above in respect of joint ventures and associates		
Changes in fair value	**(2,959)**	1,057
Deferred tax in respect of EPRA adjustments	**39**	(158)
EPRA earnings attributable to shareholders	**27,072**	11,601
Further adjustments to arrive at Adjusted EPRA earnings		
Straight-line unwind of purchase swaps	**1,976**	1,244
Adjusted earnings attributable to shareholders	**29,048**	12,845
Weighted average number of shares in issue	**278,350,720**	132,254,338
Share-based payment award (note 14)	**647,806**	291,563
Diluted weighted average number of shares in issue	**278,998,526**	132,545,901

	cents	cents
Earnings per share		
IFRS EPS	**17.70**	28.43
Diluted IFRS EPS	**17.66**	28.37
EPRA EPS	**9.73**	8.77
Diluted EPRA EPS	**9.70**	8.75
Adjusted EPRA EPS	**10.44**	9.71
Diluted adjusted EPRA EPS	**10.41**	9.69

1 *The European Public Real Estate Association (EPRA) issued Best Practices Policy Recommendations in December 2014, which provide guidelines for performance measures relevant to real estate companies. Their recommended reporting standards are widely applied across this market, aiming to bring consistency and transparency to the sector. The EPRA earnings measure is intended to show the level of recurring earnings from core operational activities with the purpose of highlighting the Group's underlying operating results from its property rental business and an indication of the extent to which current dividend payments are supported by earnings. The measure excludes unrealised changes in the value of investment properties, gains or losses on the disposal of properties and other items that do not provide an accurate picture of the Group's underlying operational performance. The measure is considered to accurately capture the long-term strategy of the Group, and is an indication of the sustainability of dividend payments.*

15. Earnings and net asset value per ordinary share continued

Straight-line unwind of purchase swaps

A further adjustment was made to the EPRA earnings attributable to shareholders relating to the straight-line unwind of the value as at 1 April 2014 of the swap contracts in the property companies acquired. When the property companies were acquired by Stenprop with effect from 1 April 2014, it also acquired the bank loans and swap contracts which were in place within these property companies. As a result, Stenprop took over loans with higher swap interest rates than would have been the case had new loans and swaps been put in place at 1 April 2014. To compensate for this, the value of the swap breaks costs was calculated at 1 April 2014 and the purchase consideration for the property companies was reduced accordingly to reflect this liability.

	Year ended 31 March 2016 €'000	Audited for the year ended 31 March 2015 €'000
Reconciliation of profit for the period to headline earnings		
Earnings per IFRS income statement attributable to shareholders	**49,266**	37,599
Adjustments to calculate headline earnings, exclude:		
Changes in fair value of investment properties	**(22,939)**	(17,956)
Reversal of provision for selling costs	**–**	–
Reversal of gain on acquisition	**–**	(9,657)
Reversal of impairment of goodwill	**–**	–
Changes in fair value of financial instruments	**519**	(431)
Deferred tax in respect of headline earnings adjustments	**2,666**	127
Adjustments above in respect of joint ventures and associates		
Changes in fair value of investment properties	**(2,529)**	1,360
Deferred tax	**(307)**	(204)
Headline earnings attributable to shareholders	**26,676**	10,838

	cents	cents
Earnings per share		
Headline EPS	**9.58**	8.20
Diluted headline EPS	**9.56**	8.18

Notes to the financial statements

	31 March 2016 €'000	Audited 31 March 2015 €'000
16. Net asset value per share		
Net assets attributable to equity shareholders	**455,497**	433,314
Adjustments to arrive at EPRA net asset value:		
Derivative financial instruments	**5,942**	6,381
Deferred tax	**9,705**	7,230
Adjustments above in respect of joint ventures and associates	**2,838**	2,504
EPRA net assets attributable to shareholders	**473,982**	449,429
Number of shares in issue	**282,984,626**	272,236,146
Share-based payment award (note 14)	**647,806**	291,563
Diluted number of shares in issue	**283,632,432**	272,527,709

	cents	cents
Net asset value per share (basic and diluted)		
IFRS net asset value per share	**1.61**	1.59
EPRA net asset value per share	**1.67**	1.65

17. Investment property

The fair value of the consolidated investment properties at 31 March 2016 was €729,782,000 (31 March 2015: €695,196,000). The carrying amount of an investment property is the fair value of the property as determined by registered independent appraisers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued (valuers).

The fair value of each of the properties for the year ended 31 March 2016 was assessed by the valuers in accordance with the Royal Institute of Chartered Surveyors ('RICS') standards and IFRS 13. Valuers are qualified for purposes of providing valuations in accordance with the 'Appraisal and Valuation Manual' published by RICS.

The valuations performed by the independent valuers are reviewed internally by senior management. This includes discussions of the assumptions used by the external valuers, as well as a review of the resulting valuations.

Discussions of the valuation process and results are held between the senior management and the external valuers on a bi-annual basis. The Audit Committee reviews the valuation results and, provided the committee is satisfied with the results, recommends them to the board for approval.

The valuation techniques used are consistent with IFRS13 and use significant 'unobservable' inputs. There have been no changes in valuation techniques since the prior year.

There are interrelationships between all these unobservable inputs as they are determined by market conditions. An increase in more than one unobservable input would magnify the impact on the valuation. The impact on the valuation would be mitigated by the interrelationship of two unobservable inputs moving in the opposite directions e.g. an increase in rent may be offset by an increase in yield, resulting in no net impact on the valuation. Expected vacancy rates may impact the yield with higher vacancy rates resulting in higher yield. All revenue is derived from the underlying tenancies given on the investment properties.

All investment properties are mortgaged. Details of which can be seen in note 25.

17. Investment property continued

The key unobservable inputs used in the valuation of the Group's investment properties at 31 March 2016 are detailed in the table below:

Combined portfolio (including share of jointly controlled entities)

	Percentage of portfolio by market value (%)	Market value 31 March 2016 (€ million)	Properties	Area (m^2)	Annualised gross rental income (€ million)	Net initial yield (weighted average) (%)	Voids by area (%)
United Kingdom	36.1	321.5	13	63,506	19.0	5.32	1.8
Germany	28.3	252.6	23	92,041	14.5	5.18	2.8
Switzerland	17.5	155.7	13	48,799	8.5	4.51	17.3
Subtotal	81.9	729.8	49	204,346	42.0	5.10	5.9
Share of joint ventures and associates	18.1	161.2	6	49,727	10.8	5.65	2.0
Total	100.0	891.0	55	254,073	52.8	5.20	5.2

	31 March 2016 €'000	Audited 31 March 2015 €'000
Opening balance	695,196	33,281
Properties acquired through the acquisition of subsidiaries	–	661,151
Properties acquired	48,206	–
Capitalised expenditure	3,604	3,414
Disposals through the sale of property	(6,701)	(65,273)
Foreign exchange movement in foreign operations	(33,462)	44,667
Net fair value gains on investment property	22,939	17,956
Closing balance	729,782	695,196

Notes to the financial statements

	31 March 2016 €'000	Audited 31 March 2015 €'000
17. Investment property continued		
Acquisitions		
United Kingdom		
Laxton Properties Limited	–	81,536
Normanton Properties Limited	–	95,232
Davemount Properties Limited	–	10,195
LPE Limited	–	83,919
Loveridge Properties Limited	–	55,808
Switzerland		
Algy Properties S.a.r.l.	–	4,328
Bruce Properties S.a.r.l.	–	7,910
Clint Properties S.a.r.l.	–	5,832
David Properties S.a.r.l.	–	12,609
Kantone Holdings Limited	–	78,621
Polo Property GmbH	–	35,904
Germany		
KG Bleichenhof Grundtuscksverwaaltung GmbH & Co. KG	–	119,400
Century BV	–	16,200
Century 2 BV	–	8,550
Stenham Beryl Limited	–	10,252
Stenham Crystal Limited	–	8,514
Stenham Jasper Limited	–	10,341
Isabel Properties BV	–	16,000
Stenprop Hermann Limited	**24,458**	–
Stenprop Victoria Limited	**23,748**	–
	48,206	661,151
Disposals		
United Kingdom		
Loveridge Properties Limited	–	(65,273)
GGP1 Limited, Leigh	**(6,701)**	–
	(6,701)	(65,273)

Acquisitions

The acquisition of a retail centre known as Hermann Quartier for a purchase price, including acquisition costs, of €24.5 million completed on 24 August 2015. The property is on a high street location in Berlin's central suburb of Neukölln with excellent public transport links, including an underground station inside the shopping centre. The acquisition was financed 50% by debt at an all-in interest rate of 1.42% per annum. The return on equity on this investment exceeded 7% per annum at inception.

The acquisition of the Victoria shopping centre for €23.7 million, including acquisition costs, completed on 24 November 2015. The property is located in the Lichtenberg district of Berlin, approximately 15 minutes by underground from the city centre and is anchored by Kaufland (a hypermarket chain) on a new 17-year lease. The return on equity on this investment exceeded 8% per annum at inception.

Disposals

On 20 January 2016, the Group disposed of one of the eight properties owned by GGP1 Limited known as Leigh, UK, for £5.37 million (equating to €6.7 million after disposal costs). The proceeds of the sale were utilised to part pay down the outstanding Santander facility of £10.4 million by £2.04 million.

Prior year disposals

On 23 March 2015, the Group disposed of the only property owned by Loveridge Properties Limited, known as Chiswell Street, London for £48.255 million (equating to €65.2 million after disposal costs). The proceeds of the sale were utilised to settle the outstanding Lloyds facility of £12.925 million (circa €18 million). At 31 March 2016, Loveridge Properties Limited remains a dormant subsidiary of the Group.

18. Subsidiaries, associates and joint ventures

The Group consists of a parent company, Stenprop Limited, incorporated in Bermuda, and a number of subsidiaries, associates and joint ventures held directly and indirectly by Stenprop Limited which operate and are incorporated around the world.

Details of the Group's subsidiaries as at 31 March 2016 are as follows:

Name	Place of incorporation	Principal activity	% equity owned by Company	% equity owned by Subsidiary
BVI				
Davemount Properties Limited	BVI	Property investment		100.00
Laxton Properties Limited	BVI	Property investment		100.00
Loveridge Properties Limited	BVI	Dormant		100.00
Normanton Properties Limited	BVI	Property investment		100.00
Ruby Red Holdings Limited	BVI	Management		100.00
SP Corporate Services Limited	BVI	Management		100.00
SP Nominees Limited	BVI	Management		100.00
SP Secretaries Limited	BVI	Management		100.00
Stencap1 Limited	BVI	Dormant		100.00
Stencap2 Limited	BVI	Dormant		100.00
Stencap3 Limited	BVI	Dormant		100.00
Stencap4 Limited	BVI	Dormant		100.00
Stenham Property Holdings Limited	BVI	Holding company	100.00	
Stenprop (Germany) Limited	BVI	Holding company	100.00	
Stenprop (Swiss) Limited	BVI	Holding company	100.00	
Stenprop (UK) Limited	BVI	Holding company	100.00	
Stenprop Trafalgar Limited	BVI	Holding company		100.00
Leatherback Property Holdings Limited	BVI	Holding company		100.00
Stenprop Hermann Limited	BVI	Property investment		100.00
Stenprop Victoria Limited	BVI	Property investment		100.00
Curacao				
Anarosa Holdings N.V.	Curacao	Holding company		94.90
C.S. Property Holding N.V.	Curacao	Holding company		94.90
Lakewood International N.V.	Curacao	Holding company		89.00
T.B Property Holdings N.V.	Curacao	Holding company		100.00
Guernsey				
APF1 Limited (in liquidation)	Guernsey	Dormant	100.00	100.00
Bernina Property Holdings Limited	Guernsey	Holding company		100.00
GGP1 Limited	Guernsey	Property investment	100.00	
Kantone Holdings Limited	Guernsey	Property investment		100.00
KG Bleichenhof Grundtuscksverwaaltung GmbH & Co. KG	Germany	Property investment		94.90
LPE Limited	Guernsey	Property investment		100.00
Stenham Paramount Hotel GP Limited	Guernsey	Management		100.00
Stenprop Advisers Limited (formerly Stenham Property Finance Limited)	Guernsey	Management		100.00

Notes to the financial statements

18. Subsidiaries, associates and joint ventures continued

Details of the Group's subsidiaries as at 31 March 2016 *continued:*

Name	Place of incorporation	Principal activity	% equity owned by Company	% equity owned by Subsidiary
Luxembourg				
Algy Properties S.a.r.l.	Luxembourg	Property investment		100.00
Bruce Properties S.a.r.l.	Luxembourg	Property investment		100.00
Clint Properties S.a.r.l.	Luxembourg	Property investment		100.00
David Properties S.a.r.l.	Luxembourg	Property investment		100.00
Jimmy Investments S.a.r.l.	Luxembourg	Holding company		100.00
Spike Investments S.A.	Luxembourg	Holding company		100.00
Netherlands				
Century 2 BV	Netherlands	Property investment		94.90
Century BV	Netherlands	Property investment		94.90
Isabel Properties BV	Netherlands	Property investment		94.90
Mindel Properties BV	Netherlands	Holding company		94.50
Stenprop Management BV (formerly Stenham Property Management BV)	Netherlands	Management		100.00
Isle of Man				
Stenham Beryl Limited	IoM	Property investment		100.00
Stenham Crystal Limited	IoM	Property investment		100.00
Stenham Jasper Limited	IoM	Property investment		100.00
Gemstone Properties Limited (formerly Stenham Properties (Germany) Limited)	IoM	Holding company		100.00
Switzerland				
Polo Property GmbH	Switzerland	Property investment		100.00
United Kingdom				
ApexHi UK Limited	UK	Dormant	100.00	
Stenprop Management Limited (formerly Stenham Property Limited)	England	Management		100.00

Details of the Group's investments in associates and joint ventures are disclosed in note 19 and note 20 respectively.

19. Investment in associates

Details of the Group's associates at the end of the reporting period are as follows:

Name	Place of incorporation	Principal activity	% equity owned by subsidiary
Stenham European Shopping Centre Fund Limited ('SESCF')	Guernsey	Fund	28.42*
Stenham Berlin Residential Fund Limited	Guernsey	Fund	10.44

** 28.16% of the investment in the underlying property is held through SESCF, and 0.26% of the property investment is held via a wholly-owned subsidiary, Leatherback Property Holdings Limited, a company incorporated in the British Virgin Islands.*

The above associates are accounted for using the equity method in these consolidated financial statements as set out in the Group's accounting policies in note 3.

Summarised financial information in respect of each of the Group's associates is set out below:

	Stenham European Shopping Centre Fund Limited €'000	Stenpark Management Limited €'000	Stenham Berlin Residential Fund Limited €'000	Total €'000
31 March 2016				
Non-current assets	**–**	**–**	**55,672**	**55,672**
Assets held for sale	**265,286**	**–**	**–**	**265,286**
Current assets	**15,408**	**–**	**4,600**	**20,008**
Current liabilities	**(164,318)**	**–**	**(150)**	**(164,468)**
Equity attributable to owners of the Company	**116,376**	**–**	**60,122**	**176,498**
Revenue	**20,638**	**–**	**4,621**	**25,259**
Profit from continuing operations and total comprehensive income	**1,343**	**–**	**6,876**	**8,219**
31 March 2015				
Non-current assets	275,000	–	53,121	328,121
Current assets	16,188	153	562	16,903
Non-current liabilities	(160,217)	(71)	–	(160,288)
Current liabilities	(11,218)	–	(444)	(11,662)
Equity attributable to owners of the Company	119,753	82	53,239	173,074
Revenue	21,122	1,159	–	22,281
Profit from continuing operations and total comprehensive income	4,557	884	158	5,599

Notes to the financial statements

19. Investment in associates continued

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associates recognised in the financial statements:

	Stenham European Shopping Centre Fund Limited €'000	Stenpark Management Limited €'000	Stenham Berlin Residential Fund Limited €'000	Total €'000
31 March 2016				
Opening balance	**34,041**	**41**	**5,570**	**39,652**
Share in associates acquired during the period	**367**	**–**	**–**	**367**
Reclassification of associate to joint venture	**–**	**(41)**	**–**	**(41)**
Share of associates' profit*	**366**	**–**	**709**	**1,075**
Distribution received from associates	**(1,755)**	**–**	**–**	**(1,755)**
Foreign exchange movement in foreign operations	**–**	**–**	**–**	**–**
Closing balance	**33,019**	**–**	**6,279**	**39,298**
31 March 2015				
Opening balance	–	–	–	–
Share in associates acquired during the period	35,704	32	5,411	41,147
Share of associates' profit*	87	209	159	455
Distribution received from associates	(1,750)	(210)	–	(1,960)
Foreign exchange movement in foreign operations	–	10	–	10
Closing balance	34,041	41	5,570	39,652

** The share of associates' profit includes the fair value movement in the underlying investments for the period. The investment property in Stenham European Shopping Centre, Nova Eventis was valued by the directors of the associate at €265 million at 31 March 2016, a 3.6% reduction of the fair value at 1 April 2015 of €275 million. The Stenham Berlin Residential Fund share price increased by 13% from €1.10 to €1.24 per share during the year under review.*

Stenham European Shopping Centre Fund Limited ('SESCF')

On 18 September 2015, as a result of a scrip dividend paid by SESCF, the Group's holding in the entity increased from 28.40% to 28.42%.

In January 2016, external property agents were appointed to market the sole asset owned by SESCF, known as Nova Eventis, for sale. The current lenders have agreed to extend the loan, which matures on 24 July 2016 for a period of six months to 24 January 2017 on terms which are substantially the same as the current terms.

Stenpark

On 30 September 2015, management reclassified Stenpark Management Limited from an associate to a joint venture to more accurately reflect the substance of this investment. Refer note 20. The net asset value of Stenpark Management Limited at this date was €41,000.

20. Investment in joint ventures

Details of the Group's joint ventures as at 31 March 2016 are as follows:

Name	Place of incorporation	Principal activity	% equity owned by Company	% equity owned by Subsidiary
Luxembourg				
Elysion Braunschweig Sarl	Luxembourg	Property company		50.00
Elysion Dessau Sarl	Luxembourg	Property company		50.00
Elysion Kappeln Sarl	Luxembourg	Property company		50.00
Elysion S.A.	Luxembourg	Holding company		50.00
Elysion Winzlar Sarl	Luxembourg	Property company		50.00
Guernsey				
Stenpark Management Limited	Guernsey	Management company		50.00
BVI				
Stenprop Argyll Limited	BVI	Holding company		50.00
Regent Arcade House Holdings Limited	BVI	Property company		50.00

Notes to the financial statements

20. Investment in joint ventures continued

Summarised consolidated financial information in respect of the Group's joint ventures is set out below:

	Elysion S.A. €'000	Stenpark Management Limited €'000	Stenprop Argyll Limited €'000	Total €'000
31 March 2016				
Investment property	**34,349**	**–**	**103,375**	**137,724**
Current assets	**613**	**405**	**4,130**	**5,148**
Assets	**34,962**	**405**	**107,505**	**142,872**
Bank loans	**(23,222)**	**–**	**(47,131)**	**(70,353)**
Shareholder loan third party	**–**	**–**	**(23,851)**	**(23,851)**
Shareholder loan Group	**(14,140)**	**–**	**(23,850)**	**(37,990)**
Deferred tax	**(223)**	**–**	**–**	**(223)**
Financial liability	**(1,068)**	**–**	**(1,585)**	**(2,653)**
Current liabilities	**(120)**	**(324)**	**(4,290)**	**(4,734)**
Liabilities	**(38,773)**	**(324)**	**(100,707)**	**(139,804)**
Net assets/(liabilities) of joint ventures	**(3,811)**	**81**	**6,798**	**3,068**
Net assets of joint ventures excluding shareholder loans	**10,329**	**81**	**54,499**	**64,909**
Group share of net assets	**10,329**	**41**	**27,250**	**37,620**
Revenue	**2,797**	**1,115**	**4,990**	**8,902**
Interest payable	**(2,456)**	**–**	**–**	**(2,456)**
Tax expense	**(91)**	**–**	**–**	**(91)**
Profit from continuing operations and total comprehensive income excluding interest due to Group	**2,569**	**848**	**9,654**	**13,071**
Share of joint ventures profit due to the Group	**2,569**	**424**	**4,827**	**7,820**
31 March 2015				
Investment property	33,563	–	–	33,563
Current assets	339	–	–	339
Assets	33,902	–	–	33,902
Bank loans	(23,776)	–	–	(23,776)
Shareholder loan	(13,524)	–	–	(13,524)
Deferred tax	(153)	–	–	(153)
Financial liability	(1,268)	–	–	(1,268)
Current liabilities	(199)			(199)
Liabilities	(38,920)	–	–	(38,920)
Net assets/(liabilities) of joint ventures	(5,018)	–	–	(5,018)
Net assets of joint ventures excluding shareholder loans	8,506	–	–	8,506
Group share of net assets	8,506	–	–	8,506
Revenue	2,796	–	–	2,796
Interest payable	(2,037)	–	–	(2,037)
Tax expense	(75)			(75)
Profit from continuing operations and total comprehensive income excluding interest due to Group	1,314	–	–	1,314
Share of joint ventures profit due to the Group	778	–	–	778

20. Investment in joint ventures continued

Reconciliation of the above summarised financial information to the carrying amount of the interest recognised in the consolidated financial statements:

	Elysion S.A. 31 March 2016 €'000	Stenpark Management Limited 31 March 2016 €'000	Stenprop Argyll Limited 31 March 2016 €'000	Total 31 March 2016 €'000
31 March 2016				
Opening balance	**8,506**	**–**	**–**	**8,506**
Reclassification of associate to joint venture	**–**	**41**	**–**	**41**
Share in joint ventures acquired during the period	**–**	**–**	**26,782**	**26,782**
Share of joint venture profit	**2,569**	**424**	**4,827**	**7,820**
Distribution received from joint venture	**(746)**	**(420)**	**(1,072)**	**(2,238)**
Foreign exchange movement in foreign operations	**–**	**(4)**	**(3,287)**	**(3,291)**
Closing balance	**10,329**	**41**	**27,250**	**37,620**
31 March 2015				
Opening balance	–	–	–	–
Reclassification of associate to joint venture	–	–	–	–
Share in joint ventures acquired during the period	8,948	–	–	8,948
Share of joint venture profit	778	–	–	778
Distribution received from joint ventures	(1,220)	–	–	(1,220)
Foreign exchange movement in foreign operations	–	–	–	–
Closing balance	8,506	–	–	8,506

Acquisitions

On 20 May 2015, the Group acquired a 50% interest in Regent Arcade House Holdings Limited ('RAHHL'), through Stenprop Argyll Limited a wholly-owned subsidiary of the Group. RAHHL owns the property known as 25 Argyll Street. The acquisition cost of this interest was £18.9 million which was based on a valuation of the property of £75 million. RAHHL refinanced the property with an interest-only bank loan of £37.5 million at an all-in rate of 2.974% per annum, with a term of five years.

Prior period acquisitions

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

The acquired shareholder loans have attracted, and continue to attract, a 10% compound interest rate since inception in 2007. The outstanding shareholder loan which is wholly owned by Stenprop has been valued at the recoverable balance which is deemed equal to the net assets of the joint venture excluding the shareholder loan.

Notes to the financial statements

	31 March 2016 €'000	Audited 31 March 2015 €'000
21. Investments		
Opening balance	**–**	287
Trading investments additions at cost	**–**	–
Fair value movement	**–**	66
Foreign exchange movement in foreign operations	**–**	16
Disposal	**–**	(369)
Fair value	**–**	–

Trading investments, comprising a portfolio of four listed Real Estate Investment Trusts ('REIT') were disposed of on 13 February 2015 for a value of €369,000.

	31 March 2016 €'000	Audited 31 March 2015 €'000
22. Trade and other receivables		
Non-current receivables		
Other debtors	**7,403**	–
	7,403	–

Non-current other debtors relate solely to loans advanced under the Share Purchase Plan (see note 14, share-based payments).

	31 March 2016 €'000	Audited 31 March 2015 €'000
Current receivables		
Accounts receivable*	**3,509**	2,634
Other debtors	**1,935**	3,911
Prepayments	**923**	1,519
	6,367	8,064

** Included in this balance are provisions for doubtful debts of €101,000 (2015: €34,000).*

	31 March 2016 €'000	Audited 31 March 2015 €'000
23. Cash and cash equivalents		
Cash at bank	**36,811**	80,430
	36,811	80,430

Restricted cash

At year end funds totalling €11.9 million (2015: €9.0 million) were restricted. Tenant deposits of €2.7 million (2015:€1.6 million) are included in this amount as are net rents held in bank accounts which are secured by the lenders for the purposes of debt repayments and redevelopment, including €8.5 million (2015: €5.8 million) for the redevelopment of Bleichenhof. As the Group is in compliance with all the terms and conditions of its loans as at the date of signing these financial statements, there are no further restrictions, and any surplus will flow to the Group.

	31 March 2016 €'000	Audited 31 March 2015 €'000
24. Accounts payable and accruals		
Accruals	**3,868**	2,772
Deferred income	**5,183**	5,754
Taxes payable	**1,776**	2,194
Other payables	**5,676**	7,436
	16,503	18,156

	31 March 2016 €'000	Audited 31 March 2015 €'000
25. Borrowings		
Opening balance	**364,931**	12,586
Acquisitions (note 27)	**–**	313,643
Loan repayments	**(30,608)**	(17,774)
New loans	**56,196**	40,454
Amortisation of loans	**(7,514)**	(5,416)
Capitalised borrowing costs	**(1,049)**	(622)
Amortisation of transaction fees	**378**	22
Foreign exchange movement in foreign operations	**(14,841)**	22,038
Total borrowings	**367,493**	364,931
Amount due for settlement within 12 months	**188,785**	68,058
Amount due for settlement between one to three years	**29,892**	232,201
Amount due for settlement between three to five years	**139,816**	56,132
Amount due for settlement after five years	**9,000**	8,540
	367,493	364,931
Non-current liabilities		
Bank loans	**178,708**	296,873
Total non-current loans and borrowings		
The maturity of non-current borrowings is as follows:		
One year to five years	**169,708**	288,333
More than five years	**9,000**	8,540
	178,708	296,873
Current liabilities		
Bank loans	**188,785**	68,058
Total current loans and borrowings	**188,785**	68,058
Total loans and borrowings	**367,493**	364,931

Notes to the financial statements

25. Borrowings continued

The facilities are secured by debentures and legal charges over the properties to which they correspond. There is no cross-collaterisation of the facilities. The terms and conditions of outstanding loans are as follows:

Facility	Notes	Amortising	Loan interest rate	Currency	Maturity date	Nominal value 31 March 2016 €'000	Nominal value 31 March 2015 €'000	Carrying value* 31 March 2016 €'000	Carrying value* 31 March 2015 €'000
United Kingdom									
Laxton Properties Limited	3	No	LIBOR +1.4%	GBP	08/05/2020	**34,846**	30,283	**34,497**	30,283
Normanton Properties Limited	4	No	LIBOR +1.4%	GBP	29/05/ 2020	**46,879**	51,099	**46,690**	51,100
Davemount Properties Limited	2	Yes	LIBOR +2.1%	GBP	24/04/2016	**5,445**	8,354	**5,445**	8,354
LPE Limited		No	LIBOR +2%	GBP	23/03/2020	**37,959**	41,016	**37,317**	40,453
GGP1 Limited	1	No	LIBOR +2.5%	GBP	22/12/2016	**10,578**	14,219	**10,563**	14,181
Switzerland									
Algy Properties S.a.r.l.		Yes	LIBOR +1.3%	CHF	31/03/2017	**3,099**	3,823	**3,099**	3,823
Bruce Properties S.a.r.l.		Yes	LIBOR +1.25%	CHF	31/03/2017	**4,384**	4,628	**4,384**	4,628
Clint Properties S.a.r.l		Yes	LIBOR +1.3%	CHF	31/03/2017	**2,820**	3,044	**2,820**	3,044
David Properties S.a.r.l.		Yes	LIBOR +1.3%	CHF	31/03/2017	**7,340**	7,956	**7,340**	7,956
Kantone Holdings Limited		Yes	LIBOR +1.05%	CHF	31/03/2017	**46,787**	51,082	**46,787**	51,082
Polo Property GmbH		Yes	LIBOR +1.15%	CHF	31/03/2017	**22,639**	24,609	**22,639**	24,609
Germany									
Century BV		Yes	Euribor +1.65%	EUR	31/12/2017	**9,911**	10,174	**9,870**	10,174
Century 2 BV		Yes	Euribor +1.65%	EUR	31/12/2017	**4,291**	4,404	**4,273**	4,404
Century 2 BV		Yes	Euribor +1.65%	EUR	31/12/2017	**898**	922	**894**	922
LGI Properties Beryl Limited		Yes	Euribor +1.85%	EUR	30/04/2018	**5,488**	5,636	**5,488**	5,636
LGI Properties Crystal Limited		Yes	Euribor +1.85%	EUR	30/04/2018	**4,583**	4,707	**4,583**	4,707
LGI Properties Jasper Limited		Yes	Euribor +1.85%	EUR	30/04/2018	**5,608**	5,759	**5,608**	5,759
Isabel Properties BV		No	Euribor +2.50%	EUR	31/12/2021	**9,000**	9,000	**9,000**	9,000
Bleichenhof GmbH & Co. KG		No	1.9%	EUR	31/12/2016	**84,937**	84,937	**84,884**	84,816
Stenprop Hermann Ltd	5	No	Euribor +1.13%	EUR	30/06/2020	**11,050**	–	**11,012**	–
Stenprop Victoria Ltd	6	No	Euribor +1.28%	EUR	31/08/2020	**10,300**	–	**10,300**	–
						368,842	365,652	**367,493**	364,931

* *The difference between the nominal and the carrying value represents unamortised facility costs, which have arisen since the completion of the Stenham Transaction (note 27).*

1. *On 20 January 2016, the Group disposed of one of the eight properties owned by GGP1 Limited known as Leigh, UK , for £5.365 million. The proceeds of the sale were utilised to part pay down the outstanding Santander facility of £10.4 million by £2.04 million.*
2. *On 26 May 2016, Davemount Properties Limited ('Davemount') and GGP1 Limited ('GGP1') refinanced their loan facilities with Santander. Santander have provided a single facility with a 5 year term of £12,360,000 split £4,000,000 to Davemount and £8,360,000 to GGP1. The all-in rate on this facility is 3.46% (including a swap of 1.21%), which compares to 2.7% on the current Davemount facility and 3.72% on the GGP1 facility.*
3. *On 8 May 2015, Laxton Properties Limited refinanced the property known as Euston House on favourable terms with a five year loan to May 2020. The new facility of £27,540,000 is interest only. A five year interest rate swap agreement was entered into to fix the interest rate at an all-in rate of 3.02% per annum (previous facility: 4.54%). The Group incurred costs of £413,000 to break the former swap agreement.*
4. *On 29 May 2015, Normanton Properties Limited extended the existing bank loan (which was due to expire in March 2016), on the property known as Pilgrim Street on favourable terms until March 2019. With effect from signature, the loan became interest-only. An interest rate swap agreement was entered into to fix the interest rate for the period from the prior termination date, being 23 March 2016, until the new termination date, at an all-in rate of 2.9% per annum. The previous all-in rate on the loan was 4.96%.*
5. *On 24 August 2015, Stenprop Hermann Limited entered into a facility agreement to borrow €11,050,000. An interest rate of EURIBOR plus a margin of 1.13% was agreed and the interest-only loan is repayable in full on 30 June 2020.*
6. *On 24 November 2015, Stenprop Victoria Limited entered into a facility agreement to borrow €10,300,000. An interest rate of EURIBOR plus a margin of 1.28% was agreed and the interest-only loan is repayable in full on 31 August 2020.*

26. Derivative financial instruments

In accordance with the terms of the borrowing arrangements and group policy, the Group has entered into interest rate swap agreements. The Interest rate swap agreements are entered into by the borrowing entities to convert the borrowings from floating to fixed interest rates and are used to manage the interest rate profile of financial liabilities and eliminate future exposure to interest rate fluctuations. It is the Group's policy that no economic trading in derivatives is undertaken. The Group recognised a total net loss from fair value of financial instruments of €999,000 in the current year (2015: €589,000).

The following table sets out the interest rate swap agreements at 31 March 2016.

Facility	Effective date	Maturity date	Swap rate %	Notional value 31 March 2016 €'000	Fair value 31 March 2016 €'000	Notional value 31 March 2015 €'000	Fair value 31 March 2015 €'000
United Kingdom							
Laxton Properties Limited	01/04/2014	08/05/2020	1.62	**34,846**	(1,232)	**30,283**	(692)
Normanton Properties Limited	01/04/2014	25/03/2019	1.50	**46,879**	(1,285)	**51,099**	(1,273)
LPE Limited	26/03/2015	31/03/2020	1.35	**37,959**	(891)	**41,016**	(252)
GGP1 Limited (novated from APF1 Limited)	02/04/2015	22/12/2016	1.70	**6,630**	(55)	**7,164**	(121)
GGP1 Limited (novated from APF1 Limited)	02/04/2015	22/12/2016	1.66	**1,265**	(10)	**1,367**	(22)
Switzerland							
Algy Properties S.a.r.l.	01/04/2014	31/03/2017	0.91	**3,522**	(62)	**3,823**	(129)
Bruce Properties S.a.r.l.	01/04/2014	31/03/2017	1.90	**4,384**	(122)	**4,628**	(254)
Clint Properties S.a.r.l	01/04/2014	31/03/2017	1.75	**2,820**	(74)	**2,967**	(135)
David Properties S.a.r.l.	01/04/2014	20/02/2017	1.73	**7,409**	(171)	**7,885**	(331)
Kantone Holdings Limited	01/04/2014	31/03/2017	0.70	**46,787**	(721)	**51,082**	(1,513)
Polo Property GmbH	01/04/2014	31/03/2017	0.73	**22,639**	(355)	**24,609**	(744)
Germany							
Century BV	01/04/2014	29/12/2017	1.00	**9,911**	(220)	**10,174**	(267)
Century 2 BV	01/04/2014	29/12/2017	1.08	**4,291**	(102)	**4,404**	(126)
Century 2 BV	01/04/2014	29/12/2017	1.85	**898**	–	**922**	1
LGI Properties Beryl Limited	01/04/2014	30/04/2018	0.83	**5,488**	(125)	**5,636**	(135)
LGI Properties Crystal Limited	01/04/2014	30/04/2018	0.83	**4,583**	(105)	**4,707**	(113)
LGI Properties Jasper Limited	01/04/2014	30/04/2018	0.83	**5,608**	(128)	**5,759**	(138)
Isabel Properties BV	30/01/2015	30/12/2021	0.48	**9,000**	(284)	**9,000**	(137)
Total swaps – on balance sheet				**254,919**	(5,942)	**266,525**	(6,381)
Maturing within 12 months					(1,769)		(1,273)
Maturing after 12 months					(4,173)		(5,108)
Derivative financial instruments					(5,942)		(6,381)
Swaps included in investments in associates and joint ventures					–		–
Regent Arcade House Holdings Limited	20/05/2015	20/05/2020	1.57	**47,449**	(1,585)	**–**	–
Elysion Braunschweig S.a.r.l	01/04/2014	29/03/2018	2.43	**6,125**	(240)	**6,282**	(302)
Elysion Dessau S.a.r.l	01/04/2014	29/03/2018	2.43	**5,918**	(230)	**6,072**	(287)
Elysion Kappeln S.a.r.l	01/04/2014	31/12/2018	2.80	**6,420**	(359)	**6,584**	(407)
Elysion Winzlar S.a.r.l	01/04/2014	31/12/2018	2.80	**4,280**	(239)	**4,389**	(271)
Prejan Enterprises Limited	01/04/2014	25/07/2016	0.80	**44,380**	(231)	**45,897**	(540)
Total swaps				**114,572**	(2,884)	**335,749**	(8,188)

Notes to the financial statements

27. Business combinations

Prior period

On 1 October 2014 and 2 October 2014 the Company completed the acquisition of:

- Various property companies which collectively at he time of the transaction, held an interest in forty five properties in Germany, Switzerland and the United Kingdom (the 'property companies');
- The Stenham Property management business;
- Various cash holding entities, and
- The external investment manager, Apex Hi (UK) Limited.

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

The purchase consideration for the acquisitions was funded by the issue of 232,916,809 new Stenprop ordinary shares to the value of €318,791,000 on the Bermudian share register at an issue price of €1.37 per share, which was the Euro equivalent of the net asset value per share of Stenprop as at 31 March 2014.

Deferred consideration which remains outstanding at year end, and which relates to the acquisition of the Stenham property management business is estimated to be €936,000 and relates to the vendor's right to receive a share of pre-existing exit and performance fees on certain assets managed by the acquired business on behalf of third parties.

The companies acquired on 1 October 2014 were:

Name	Place of incorporation	Ownership (%)
Stencap 1 Limited	BVI	100
Stencap 2 Limited	BVI	100
Davemount Properties Limited	BVI	100
Loveridge Properties Limited	BVI	100
Laxton Properties Limited	BVI	100
Normanton Properties Limited	BVI	100
Kantone Holdings Limited	Guernsey	100
Spike Investments S.A	Lux	100
Stencap 3 Limited	BVI	100
Stencap 4 Limited	BVI	100
Bernina Property Holdings Limited	Guernsey	100
Lakewood International N.V	Curaçao	89
TB Property Holdings N.V	Curaçao	100
Leatherback Properties Limited	BVI	100
Stenham Properties (Germany) Limited	IoM	100
Anarosa Holdings N.V	Curaçao	94.9
CS Property Holding N.V	Curaçao	94.9
Stenham European Shopping Centre Fund Limited	Guernsey	28.12
The following management companies were acquired on 2 October 2014:		
Stenham Property Holdings Limited	BVI	100
Stenprop Advisers Limited (formerly Stenham Property Finance Limited)	Guernsey	100
Stenprop Management Limited (formerly Stenham Property Limited)	England	100
ApexHi UK Limited	UK	100

27. Business combinations continued

A summary of properties acquired as part of the Stenham Transaction is provided below:

	Stenprop (UK) Limited	Stenprop (Swiss) Limited	Stenprop (Germany) Limited	Total
Effective date of acquisition	01/10/2014	01/10/2014	01/10/2014	
Number of properties (100%)	6	13	20	39
Number of properties (94.9%)			1	1
Number of properties in joint ventures (50%)			4	4
Number of properties in associates (28%)			1	1
	6	13	26	45

Fair value on completion date of properties and management companies acquired:

A summary of the fair value of assets and liabilities and the net cash position arising from the business combination is included in the table below:

	Stenprop (UK) Limited €'000	Stenprop (Swiss) Limited €'000	Stenprop (Germany) Limited €'000	Management Companies €'000	Total €'000
Investment properties	242,771	145,204	189,570		577,545
Investment in associate			35,082	32	35,114
Investment in joint venture			8,948	–	8,948
Property, plant and equipment			–	10	10
	242,771	145,204	233,600	42	621,617
Net working capital	(6,456)	(1,258)	(1,261)	1,385	(7,590)
External debt	(102,379)	(84,197)	(127,066)	–	(313,642)
Deferred tax	–	(3,722)	(2,811)	–	(6,533)
Derivative financial instruments	(1,773)	(1,880)	(812)	–	(4,465)
Non-controlling interest	–	–	(1,750)	–	(1,750)
	132,163	54,147	99,900	1,427	287,637
Gain on acquisition					(9,657)*
Net assets acquired					277,980
Purchase consideration					
Share issue (EUR)					318,791
Deferred consideration					1,445
Less cash					(42,256)
Total consideration					277,980

** The composition of the Gain on acquisition is detailed on page 99 of the 2015 Integrated Annual Report.*

Stenprop (UK) Limited, Stenprop (Swiss) Limited and Stenprop (Germany) Limited were incorporated during the period to hold the acquired assets (note 28).

Notes to the financial statements

27. Business combinations continued

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

Intangible assets

Management have measured the fair value of all assets and liabilities acquired as at the date of acquisition, including any assets or liabilities which may not have been recognised in the underlying company balance sheets. The value of any intangible assets acquired as at the date of the transaction is considered immaterial and has not been recognised.

28. Acquisition of subsidiaries and joint ventures

During the period the Group incorporated the following companies:

Name	Jurisdiction	Incorporation date	Cost €'000	Net assets acquired €'000
Acquisition of Hermann Quartier (refer note 17):				
Stenprop Hermann Limited	**BVI**	**24/04/2015**	**–**	**–**
Acquisition of Victoria Centre (refer note 17):				
Stenprop Victoria Limited	**BVI**	**24/04/2015**	**–**	**–**
Acquisition of Regent Arcade House Holdings Limited (refer below):				
Stenprop Argyll Limited (joint venture)	**BVI**	**17/02/2015**	**–**	**–**

Acquisition of 25 Argyll Street

On 20 May 2015, the Group acquired 50% of the issued share capital of the property owning company, Regent Arcade House Holdings Limited which owns the property known as 25 Arygll Street. The interest was acquired by Stenprop Argyll Limited, a wholly-owned subsidiary and was structured as a joint venture.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed of Regent Arcade House Holdings Limited are as set out in the table below:

	€'000
Investment properties	**94,898**
Net working capital	**(490)**
Net identifiable assets	**94,408**
Satisfied by:	
Cash	**47,834**
Bank loan	**47,449**
	95,283
Less: Cash and cash equivalent balances acquired	**(875)**
	94,408

Prior period

During the prior period the Group incorporated the following companies:

Name	Jurisdiction	Incorporation date	Cost $	Net assets acquired $
Stenham Transaction (refer note 27)				
Stenprop (UK) Limited	BVI	01/07/2014	100	100
Stenprop (Germany) Limited	BVI	01/07/2014	100	100
Stenprop (Swiss) Limited	BVI	01/07/2014	100	100
Acquisition of Trafalgar Court (refer below)				
Stenprop Trafalgar Limited	BVI	07/01/2015	100	100

Notes to the financial statements

28. Acquisition of subsidiaries and joint ventures continued

Acquisition of Trafalgar Court

On 26 March 2015, the Group acquired 100% of the issued share capital of the property owning company, LPE Limited, which owns the property known as Trafalgar Court. The acquisition was funded from capital raised in the private placement on 22 March 2015.

The amounts recognised in respect of the identifiable assets acquired and liabilities assumed are as set out in the table below:

	€'000
Investment properties	83,919
Net working capital	(371)
Net identifiable assets	83,548
Satisfied by:	
Cash	43,460
Bank loan	41,016
Borrowing costs*	(563)
	83,913
Less: Cash and cash equivalent balances acquired	(365)
	83,548

** The capitalised borrowing costs which will be expensed over the life of the facility, have been offset against the cost of the investment.*

	31 March 2016 €'000	Audited 31 March 2015 €'000
29. Deferred tax		
The following are the major deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting period.		
Opening balance	**(7,230)**	–
Deferred tax recognised on investment properties	**(2,667)**	(11,919)
Deferred tax recognised on revaluation of financial liabilities	**(220)**	625
Deferred tax on tax losses	**412**	4,064
Closing balance	**(9,705)**	(7,230)
Deferred tax assets and liabilities are offset where the Group has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:		
Deferred tax liabilities	**(14,821)**	(11,943)
Deferred tax assets	**5,116**	4,713
Closing balance	**(9,705)**	(7,230)
Deferred tax opening balance	**7,230**	–
Deferred tax liability acquired (note 27)	**–**	6,533
Exchange movements	**(191)**	570
Deferred tax liability closing balance	**(9,705)**	(7,230)
Movement in deferred tax	**(2,666)**	(127)

30. Financial risk management

The Group is exposed to a variety of financial risks including market risk, credit risk and liquidity risk. The overall risk management strategy seeks to minimise the potential adverse effects on the Group's financial performance. Certain risk exposures are hedged via the use of financial derivatives.

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 these risks, and the Group's management of capital. Further quantitative disclosures are included throughout these audited financial statements where relevant. The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Board has established a Risk Committee to develop and monitor the Group's risk management policies. The Risk Committee participates in management's process of formulating and implementing the risk management plan and reports on the plan adopted by management to the board.

The objective of risk management is to identify, assess, manage and monitor the risks to which the business is exposed, including, but not limited to, information technology risk. The board is responsible for ensuring the adoption of appropriate risk management policies by management. 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 are reviewed regularly to reflect changes in market conditions and the Group's activities. The Board will also ensure that there are processes in place between itself and management enabling complete, timely, relevant, accurate and accessible risk disclosure to shareholders.

To enable the Risk Committee to meet its responsibilities, the Risk Committee has adopted a charter which includes appropriate standards and the implementation of systems of internal control and an effective risk-based internal audit, comprising policies, procedures, systems and information to assist in:

- safeguarding assets and reducing the risk of loss, error, fraud and other irregularities;
- ensuring the accuracy and completeness of accounting records and reporting;
- preparing timely, reliable financial statements and information in compliance with relevant legislation and generally accepted accounting policies and practices; and
- increasing the probability of anticipating unpredictable risk.

The 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 risks faced by the Group.

Credit risk

The Group's principal financial assets are cash and cash equivalents and trade and other receivables. The credit risk arising from deposits with banks is managed through a policy of utilising banks with acceptable credit ratings.

The credit quality of cash and cash equivalents can be assessed by reference to external credit ratings of the counterparty where the account or deposit is placed. A summary of the Standard & Poors European financial institutions credit ratings for the six banks in which 78% of the Group's cash is held are as follows:

	31 March 2016	31 March 2015
ABN AMRO Bank NV	**A**	A
Barclays Private Clients International Limited	**A-**	A
Berliner Sparkasse	**AA-**	AA
HSBC Bank plc.	**AA-**	AA-
Santander UK plc.	**A**	A
UBS AG	**A**	A

The directors are satisfied as to the credit worthiness of the banks where the remaining cash is held.

At the time of acquisition of a property, and from time to time thereafter, the Company reviews the quality of the contracted tenants to ensure that the tenants meet acceptable covenants. Trade receivables are presented in the statement of financial position net of allowances for doubtful receivables. An allowance for impairment is made where there is an indefinable loss event, which based on previous experience, may give risk to non recovery of a receivable.

The carrying amount of financial assets represents the maximum credit exposure at the reporting date.

At 31 March 2016, trade and other receivables and cash and cash equivalents amounted to €43,178,000 (March 2015: €88,494,000) as shown in the statement of financial position.

Notes to the financial statements

30. Financial risk management continued

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash resources, the availability of funding through appropriate and adequate credit lines and managing the ability of tenants to settle within lease obligations. The Group ensures, through the forecasting and budgeting of cash requirements, that adequate committed resources are available.

By its nature, the market for investment property is not immediately liquid. As a result of this illiquidity, the Group's ability to vary its portfolio in a timely fashion and to receive a fair price in response to changes in economic and other conditions may be limited. Furthermore, where the Group acquires investment properties for which there is not a readily available market, the Group's ability to deal in any such investment or obtain reliable information about the value of such investment or risks to which such property investment is exposed may be limited. The Group's short-term liquidity risk is secured by the existence of cash balances, through the fact that rental income exceeds the Group's cost structures and through ensuring that facilities are managed within debt covenants.

The following table details the contractual maturity date of the Group's financial liabilities. The table has been drawn up based on the undiscounted contractual maturities of the financial liabilities, including interest that will accrue to those liabilities, except where the Group is entitled and intends to repay the liability before its maturity. The discount column represents the possible future cash flows included in the maturity analysis, such as future interest or potential payments that have not been included in the carrying amount of the financial liability. The table also includes a reconciliation to the carrying value in the statement of financial position.

	Less than one month €'000	One to three months €'000	Three to twelve months €'000	One to five years €'000	Over five years €'000	Discount €'000	Total €'000
Interest-bearing loans	**5,445**	**–**	**183,340**	**169,708**	**9,000**	**–**	**367,493**
Loan interest	**531**	**2,388**	**6,636**	**14,056**	**203**	**(23,278)**	**536**
Financial liabilities	**199**	**–**	**1,570**	**3,889**	**284**	**–**	**5,942**
Deferred tax	**–**	**–**	**–**	**9,705**	**–**	**–**	**9,705**
Other loans and interest	**–**	**–**	**–**	**12**	**–**	**–**	**12**
Other payables (including tax)	**–**	**2,811**	**4,641**	**–**	**–**	**–**	**7,452**
Accruals	**–**	**–**	**3,332**	**–**	**–**	**–**	**3,332**
Deferred income	**–**	**5,156**	**27**	**–**	**–**	**–**	**5,183**
As at 31 March 2016	**6,175**	**10,355**	**199,546**	**197,370**	**9,487**	**(23,278)**	**399,655**
Interest-bearing loans	–	–	68,058	288,333	8,540	–	364,931
Loan interest	510	2,736	8,177	16,217	470	(27,590)	520
Financial liabilities	–	–	1,273	4,971	137	–	6,381
Deferred tax	–	–	–	7,230	–	–	7,230
Other loans and interest	–	–	–	23	–	–	23
Other payables (including tax)	–	3,122	6,508	–	–	–	9,630
Accruals	30	302	1,920	–	–	–	2,252
Deferred income	919	4,835	–	–	–	–	5,754
As at 31 March 2015	1,459	10,995	85,936	316,774	9,147	(27,590)	396,721

30. Financial risk management continued

Fair value of financial instruments

The following table summarises the Group's financial assets and liabilities into categories required by IFRS 7 Financial instruments disclosures. The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

	Held at fair value through other comprehensive income €'000	Held at fair value through profit and loss €'000	Held at amortised cost €'000	Total carrying amount 31 March 2016 €'000
Financial assets				
Cash and cash equivalents	–	–	36,811	36,811
Accounts receivable	–	–	3,509	3,509
Other debtors	–	–	9,338	9,338
	–	–	49,658	49,658
Financial liabilities				
Loans	–	–	367,493	367,493
Other loans and interest	–	–	12	12
Interest rate swaps	–	5,942	–	5,942
Accounts payable and accruals	–	–	16,503	16,503
As at 31 March 2016	–	5,942	384,008	389,950

	Held at fair value through other comprehensive income €'000	Held at fair value through profit and loss €'000	Held at amortised cost €'000	Total carrying amount 31 March 2015 €'000
Financial assets				
Cash and cash equivalents	–	–	80,430	80,430
Accounts receivable	–	–	2,634	2,634
Other debtors	–	–	3,911	3,911
	–	–	86,975	86,975
Financial liabilities				
Loans	–	–	364,931	364,931
Other loans and interest	–	–	23	23
Interest rate swaps	519	5,862	–	6,381
Accounts payable and accruals	–	–	18,156	18,156
As at 31 March 2015	519	5,862	383,110	389,491

30. Financial risk management continued

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising returns to shareholders.

Investment in property is subject to varying degrees of risk. The main factors which affect the value of the investment in property include:

- changes in the general economic climate;
- local conditions in respective markets, such as oversupply, or a reduction in demand, for commercial space in a specific area;
- competition from other available properties; and
- government regulations, including planning, environmental and tax laws.

Whilst a large number of these factors are outside the control of the management, market and property-specific factors relevant to maintain a sustainable income stream within the Group's yield parameters are considered as part of the initial due diligence. Properties and tenant leases are actively managed.

Foreign currency risk

The Group's functional currency is Euros. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency or exchange rates. At the reporting date, the below table summarises the Group's exposure to foreign currency risk in respect of assets and liabilities held in GBP (United Kingdom) and CHF (Switzerland).

	31 March 2016 €'000	31 March 2015 €'000
Assets		
GBP	**371,938**	367,995
CHF	**160,313**	172,725
Liabilities		
GBP	**149,120**	159,369
CHF	**94,894**	104,905

Foreign currency sensitivity analysis

The sensitivity analysis measures the impact on the Group's exposure in Euros (based on a change in the reporting date spot rate) and the impact on the Group's Euro profitability, given a simultaneous change in the foreign currencies to which the Group is exposed at the reporting date.

A 10% strengthening in the Euro exchange rate against the following currencies at year end would have decreased equity and profits by the amounts shown below. This analysis assumes that all other variables remain constant. For a 10% weakening of the Euro, there would be an equal but opposite impact on the profit and equity and the balance would be positive.

	Equity €'000	Profit or loss €'000
GBP impact	(22,282)	(2,988)
CHF impact	(6,542)	(51)
	(28,824)	(3,039)

30. Financial risk management continued

The following exchange rates against the Euro were applied during the year:

	Average rate for 12 months to 31 March 2016	Period end 31 March 2016
CHF	**0.931954**	0.914700
GBP	**1.365830**	1.265300

Interest rate risk

The Group's interest rate risk is associated with cash and cash equivalents, on the one hand, and interest-bearing borrowings, on the other. If the interest is variable, it presents the Group with a cash flow interest rate risk. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. As stated in note 26, borrowings from credit institutions are protected against movements in interest rates. The company uses interest rate swaps to manage its interest rate exposure.

Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Total financial instruments recognised at fair value	Designated at fair value		
	€'000	Level 1 €'000	Level 2 €'000	Level 3 €'000
31 March 2016				
Assets				
Investment properties	**729,782**	**–**	**–**	**729,782**
Total assets	**729,782**	**–**	**–**	**729,782**
Liabilities				
Derivative financial liabilities	**5,942**	**–**	**5,942**	**–**
Total liabilities	**5,942**	**–**	**5,942**	**–**
31 March 2015				
Assets				
Investment properties	695,196	–	–	695,196
Total assets	695,196	–	–	695,196
Liabilities				
Derivative financial liabilities	6,381	–	6,381	–
Total liabilities	6,381	–	6,381	–

Notes to the financial statements

30. Financial risk management continued

Details of changes in valuation techniques

There have been no significant changes in valuation techniques during the period under review.

Significant transfers between Level, 1 Level 2 and Level 3

There have been no significant transfers during the period under review.

Unobservable inputs

Unobservable inputs for Level 3 investment properties are disclosed in note 17.

Capital risk management

The capital structure of the Group consists of debt, which includes the borrowings disclosed in note 25, cash and cash equivalents and equity attributable to ordinary shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in the statement of changes in equity. Stenprop's average loan to value ratio ('LTV') ratio at 31 March 2016 was 51.6% (2015: 53.8%), including joint ventures and associates and the Group is not subject to any external capital requirements. The Group strategy is to maintain a debt to equity ratio and LTV to ensure that property performance is translated into an enhanced return for shareholders whilst at the same time ensuring that it will be able to continue as a going concern through changing market conditions. The directors are of the opinion that a 50% LTV in respect of secured external borrowings is an appropriate target for the Group, given current market conditions.

31. Related party transactions

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

P Arenson and M Fienberg, both directors of the Company, are also directors of Stenham Limited which at 31 March 2016 had an indirect beneficial interest of 4.91% in Stenprop Limited through its wholly-owned subsidiary, Stenham Group Limited (March 2015: 5.1%).

At 31 March 2016, P Arenson held an indirect 2.58% interest in the share capital of Stenham Limited (March 2015: 4.49%). His interest in Stenprop Limited is separately disclosed in note 8.

M Yachad is a non-executive director of the Company and an executive director of Peregrine Holdings Limited, which has a beneficial interest (direct and indirect) of 6.41% in the shares of the Company at 31 March 2016.

On 20 May 2015, the Group acquired a 50% interest in Regent Arcade House Holdings Limited ('RAHHL'), which owns the property known as 25 Argyll Street. SP Corporate Services Limited, the director of RAHHL is a wholly-owned subsidiary of the Group, as are Stenprop Management Limited and Stenprop Advisors Limited which act as Property Manager and Administrator respectively to RAHHL. The Group earns fees of €181,000 per annum for these services.

32. Operating lease commitments

The Group earns rental income by leasing its investment properties to tenants under non-cancellable operating leases.

At the balance sheet date the Group had contracted with tenants for the following future minimum lease payments on its investment properties:

	31 March 2016 €'000	**Audited 31 March 2015 €'000**
Within one year	**40,673**	41,440
Between one and two years	**38,922**	39,479
Between two and five years	**97,993**	105,129
After five years	**86,690**	98,840
	264,278	284,888

33. Subsequent events

(i) Declaration of dividend after reporting date

On 8 June 2016, the directors declared a final dividend of 4.70 cents per share, payable in cash on 29 July 2016.

An announcement containing details of the dividend and the timetable will be made separately.

(ii) Share incentive awards

On 8 June 2016, the directors, on the recommendation of the remuneration committee, approved the following share-based awards:

	Bonus awards under Deferred Share Bonus Plan in respect of the year ended 31 March 2016*		Share Purchase Plan^	
	€'000	Number of shares	€'000	Number of shares
Executive directors	307	223,294	4,806	3,408,466
Other staff	81	59,250	393	278,725
	388	282,544	5,199	3,687,191

** Share options vest in three equal tranches. The first tranche vests on grant. Subsequent tranches will vest at the relevant year-end in accordance with the rules of the Deferred Share Bonus Plan.*

^ Shares will be issued on 9 June 2016

Loans advanced under the share purchase plan are interest-bearing at a rate equal to the average interest rate incurred by the Group from time to time. Interest is payable six monthly in arrear. Loans are repayable within 30 days of cessation of employment (unless the participant ceases employment in circumstances beyond his or her control, in which case the loan is repayable within 12 months), and must in all circumstances be repaid in 10 years. All dividends received by such employees (or his or her nominee) by virtue of their shareholding, must first be utilised to discharge any interest outstanding in terms of the loan advanced in terms of the Share Purchase Plan.

(iii) Refinance of Davemount and GGP1 portfolios

On 26 May 2016, Davemount Properties Limited ('Davemount') and GGP1 Limited ('GGP1') refinanced their loan facilities with Santander. Santander have provided a single facility of £12,360,000 for a five year period, split £4,000,000 to Davemount and £8,360,000 to GGP1. The all-in rate on this facility is 3.46% which compares to 2.7% on the current Davemount facility and 3.72% on the GGP1 facility.

(iv) Lease signed at Euston House

In May 2016, a new six year lease was signed at Euston House for 11,787 square feet, representing one floor and 11% of the space. The new tenant will pay an annual rent of just under £0.7 million equating to £58.50 per square foot per annum from August 2017 onwards. Prior to that the tenant will pay half rent of £0.345 million per annum. The previous tenant paid £27.50 per square foot per annum on unrefurbished space. Stenprop spent approximately £1.4 million on the refurbishment of the space. The building is now fully let.

Appendices

Property summary

	Asset value (€ million)	Asset value as % of portfolio (%)	Gross lettable area (m^2)	Occupancy (by area) (%)	Annual gross rental income (€ million)	WAULT (by revenue) (years)
United Kingdom						
Office	354.8	39.8	44,519	97.5	19.4	6.7
Retail	9.7	1.1	7,678	100.0	1.2	4.0
Industrial	8.7	1.0	14,313	100.0	0.7	4.4
Total	373.2	41.9	66,510	98.3	21.3	6.5
Germany						
Retail	222.3	24.9	103,063	97.4	15.1	7.4
Office	53.1	6.0	15,120	94.2	2.6	4.4
Nursing Homes	34.2	3.8	19,330	100.0	2.8	14.7
Other	52.5	5.9	1,251	94.2	2.5	4.4
Total	362.1	40.6	138,764	97.4	23.0	7.6
Switzerland						
Office	74.6	8.4	23,042	98.1	4.7	5.5
Retail	80.3	9.0	24,548	68.1	3.8	6.5
Other	0.8	0.1	1,209	87.6	0.0	4.9
Total	155.7	17.5	48,799	82.7	8.5	5.9
Total						
Office	482.5	54.2	82,681	97.0	26.7	6.3
Retail	312.3	35.0	135,289	92.3	20.1	7.0
Industrial	8.7	1.0	14,313	100.0	0.7	4.4
Nursing Homes	34.2	3.8	19,330	100.0	2.8	14.7
Other	53.3	6.0	2,460	91.0	2.5	4.4
Total	891.0	100.0	254,073	94.8	52.8	6.9

Portfolio analysis

Combined portfolio	Portfolio by market value (%)	Market value 31 March 2016 (€ million)	Properties	Area (m^2)	Annualised gross rental income (€ million)	Net initial yield (weighted average) (%)	WAULT (by rental)	Voids (by area) (%)
United Kingdom	36.1	321.5	13	63,506	19.0	5.32	6.8	1.8
Germany	28.3	252.6	23	92,041	14.5	5.18	6.9	2.8
Switzerland	17.5	155.7	13	48,799	8.5	4.51	5.9	17.3
Total	81.9	729.8	49	204,346	42.0	5.10	6.7	5.9
Share of joint ventures and associates	18.1	161.2	6	49,727	10.8	5.65	7.7	2.0
Total	100.0	891.0	55	254,073	52.8	5.20	6.9	5.2

Consolidated portfolio

Company	Property/ portfolio	Ownership interest (%)	Market value 31 March 2016 (€ million)	Properties	Area (m²)	Annualised gross rental income (€ million)	Rental per m² (€/m²)	Net initial yield 31 March 2016 (%)	WAULT (by rental)	Voids (by area) (%)
United Kingdom										
Davemount Properties (BVI)	**Davemount**	100.00	9.7	3	7,678	1.2	150	11.04	4.0	0.0
Laxton Properties Ltd (BVI)	**Euston**	100.00	96.8	1	10,103	4.1	402	3.41	5.9	10.8
GGP1 Limited (Guernsey)	**GGP1**	100.00	31.5	7	25,454	2.9	113	8.55	4.8	0.0
Normanton Properties (BVI)	**Pilgrim**	100.00	104.4	1	9,706	5.5	568	4.70	5.1	0.0
LPE Limited (Guernsey)	**Trafalgar**	100.00	79.1	1	10,565	5.3	504	6.50	11.1	0.3
Total United Kingdom			321.5	13	63,506	19.0	298	5.32	6.8	1.8
Germany										
Stenham Gemstone Limited	**Aldi**	100.00	32.5	14	18,843	2.2	115	5.77	10.9	0.0
Anarosa Holdings N.V (Curacao)	**BikeMax**	100.00	25.1	5	18,007	2.0	112	6.98	5.5	0.0
KG Bleichenhof GmbH	**Bleichenhof**	94.90	123.7	1	20,067	6.0	299	4.18	4.4	5.8
Isabel Properties B.V	**Isabel**	100.00	17.2	1	13,365	1.3	99	6.93	6.5	3.0
Stenprop Hermann Ltd	**Hermann**	100.00	22.9	1	8,250	1.3	157	7.00	4.8	11.0
Stenprop Victoria Ltd	**Victoria**	100.00	31.2	1	13,509	1.7	124	4.75	14.4	0.9
Total Germany			252.6	23	92,041	14.5	157	5.18	6.9	2.8
Switzerland										
Credit Suisse										
David Properties S.a.r.l. (Lux)	**Cham**	100.00	13.4	1	5,330	0.8	156	4.46	5.0	14.9
Bruce Properties S.a.r.l. (Lux)	**Chiasso**	100.00	8.8	1	4,182	0.6	153	4.65	2.3	0.0
Clint Properties S.a.r.l. (Lux)	**Interlaken**	100.00	6.2	1	1,966	0.4	193	4.29	12.2	7.8
Algy Properties S.a.r.l. (Lux)	**Sissach**	100.00	4.3	1	1,966	0.2	77	4.93	4.9	58.3
Total Credit Suisse			32.7	4	13,444	2.0	149	4.54	5.6	15.6
Polo										
Polo Property GmbH (Swiss)	**Altendorf**	100.00	26.7	1	8,199	1.4	180	4.29	11.4	0.0
Polo Property GmbH (Swiss)	**Arlesheim**	100.00	13.1	1	4,834	1.0	200	5.08	7.5	0.0
Total Polo			39.8	2	13,033	2.4	187	4.55	9.8	0.0
Kantone										
Kantone Holdings Limited (Guernsey)	**Baar**	100.00	21.8	1	4,114	1.3	325	4.56	2.5	4.2
Kantone Holdings Limited (Guernsey)	**Granges**	100.00	18.0	3	5,261	1.1	218	4.59	4.3	0.0
Kantone Holdings Limited (Guernsey)	**Lugano**	100.00	16.9	1	7,036	0.2	24	4.74	2.8	87.2
Kantone Holdings Limited (Guernsey)	**Montreux**	100.00	21.2	1	4,362	1.1	255	4.28	4.6	0.5
Kantone Holdings Limited (Guernsey)	**Vevey**	100.00	5.3	1	1,549	0.4	229	3.83	4.6	0.0
Total Kantone			83.2	7	22,322	4.1	184	4.49	3.8	28.4
Total Switzerland			155.7	13	48,799	8.5	175	4.51	5.9	17.3
Total wholly-owned portfolio			729.8	49	204,346	42.0	205	5.10	6.7	5.9

Jointly controlled entities

Company	Property/ portfolio	Ownership interest (%)	Market value 31 March 2016 (€ million)	Properties	Area (m^2)	Annualised gross rental income (€ million)	Rental per m^2 (€/m^2)	Net initial yield 31 March 2016 (%)	WAULT (by rental)	Voids (by area) (%)
United Kingdom										
	Argyll	50.0	103.4	1	6,008	4.6	763	4.15	3.7	0.0
Germany										
Elysion S.a.r.l.	Carehomes	100.00	34.2	4	19,330	2.8	143	6.55	14.7	0.0
SESCF Ltd. (Guernsey)	Nova	28.42	265.0	1	96,387	19.9	207	6.27	5.8	3.6
Total Germany			299.2	5	115,717	22.7	196	6.36	6.9	2.1
Total of jointly-owned interests			402.6	6	121,725	27.3	224	5.75	6.4	2.0
Total of jointly-owned interests (SP share)			161.2	6	49,727	10.8	217	5.65	7.7	2.0

Analysis of shareholders

Shareholder spread	Number of shareholdings	%	Number of shares	%
1 – 1,000 shares	282	8.85	140,975	0.05
1,001 – 10,000 shares	1,370	43.01	5,366,263	1.90
10,001 – 100,000 shares	1,013	31.81	38,152,782	13.48
100,001 – 1,000,000 shares	474	14.88	126,849,553	44.83
1,000,001 shares and over	46	1.44	112,475,053	39.75
Total	3,185	100.00	282,984,626	100.00

Distribution of shareholders	Number of shareholdings	%	Number of shares	%
Banks/Brokers	76	2.39	29,478,946	10.42
Close Corporations	27	0.85	884,282	0.31
Control Account	4	0.13	969,080	0.34
Endowment Funds	14	0.44	480,546	0.17
Individuals	1,980	62.17	50,648,856	17.90
Insurance Companies	15	0.47	5,076,849	1.79
Investment Companies	2	0.06	55,563	0.02
Mutual Funds	130	4.08	28,841,063	10.19
Other Corporations	5	0.16	314,281	0.11
Private Companies	232	7.28	67,131,347	23.72
Public Companies	33	1.04	30,898,260	10.92
Retirement Funds	44	1.38	2,752,183	0.97
Trusts	623	19.56	65,453,370	23.13
Total	3,185	100.00	282,984,626	100.00

Public/non-public shareholders	Number of shareholdings	%	Number of shares	%
Non-public shareholders	12	0.38	12,042,846	4.26
Directors and Associates of the Company holdings	12	0.38	12,042,846	4.26
Public shareholders	3,173	99.62	270,941,780	95.74
Total	3,185	100.00	282,984,626	100.00

Major shareholders

As at the financial year end there were 3,185 shareholders in the Company. In terms of the Companies Act 1981 of Bermuda, there is no requirement for registered shareholders to disclose their beneficial shareholdings and accordingly, the Company provides disclosure on the shareholdings where this information is provided to the Company. As at 31 March 2016 Peregrine Holdings Limited held a direct and indirect interest of 6.41% in the issued share capital of the Company. The Company does not know of any other shareholder which has a beneficial interest of greater than 5% of the Company's issued share capital as at 31 March 2016.

Corporate information

STENPROP LIMITED
(Incorporated in Bermuda)
Registration number: 47031
BSX share code: STP.BH
JSE share code: STP
ISIN: BMG8465Y1093

Registered office of the Company
Stenprop Limited
(Registration number 47031)
20 Reid Street
3rd Floor, Williams House
Hamilton, HM11
Bermuda

Company secretary
Apex Corporate Services Ltd.
(Registration number 33832)
3rd Floor, Williams House
20 Reid Street
Hamilton HM11, Bermuda
(PO Box 2460 HM JX, Bermuda)

JSE sponsor
Java Capital Trustees and Sponsors
Proprietary Limited
6A Sandown Valley Crescent
Sandown
Sandton, 2196
South Africa
(PO Box 2087, Parklands, 2121)

SA transfer secretaries
Computershare Investor Services
Proprietary Limited
(Registration number 2004/003647/07)
70 Marshall Street
Johannesburg, 2001
South Africa

Correspondence address
PO Box 61051
Marshalltown, 2107
South Africa

Legal advisors
Berwin Leighton Paisner LLP
Adelaide House
London Bridge
London, EC4R 9HA
United Kingdom

Postal address of the Company
Kingsway House
Havilland Street
St Peter Port, GY1 2QE
Guernsey

South African corporate advisor
Java Capital Proprietary Limited
(Registration number 2012/089864/07)
6A Sandown Valley Crescent
Sandown
Sandton, 2196
South Africa
(PO Box 2087, Parklands, 2121)

BSX sponsor
Estera Securities (Bermuda) Limited
(Registration number 25105)
Canon's Court
22 Victoria Street
Hamilton, HM12, Bermuda
(Postal address the same as the physical address above)

Bermudian registrars
Computershare Investor Services
(Bermuda) Limited
(Company number 41776)
Corner House
20 Parliament Street
Hamilton, HM12
Bermuda

Correspondence address
2nd Floor, Queensway House
Hilgrove Street
St. Helier
Jersey JE1 1ES Channel Islands

Auditors
Deloitte LLP
Regency Court
Glategny Esplanade
St Peter Port, GY1 3HW, Guernsey
Channel Islands

Shareholder diary

Financial year-end	31 March
Integrated Annual Report posted	August
Annual general meeting	September
Announcement of results	
First quarter	September
Interim	December
Second quarter	March
Annual	June

Dividends	Declared	Paid
Interim	December	January
Final	June	July


www.stenprop.com