

ROSHGOLD INVESTMENT HOLDINGS LIMITED
(Registration No: 1984/003303/06)

ANNUAL REPORT
30 June 2019

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ROSHGOLD INVESTMENT HOLDINGS LIMITED

Corporate Profile and Mission Statement:

Roshgold Investment Holdings Ltd is an independent, community based investment group that has interests in property, business ventures, listed and unlisted equities.

Our mission is to:

- Maintain a well-balanced investment group.
- Generate a regular stream of income and longer term capital appreciation for our shareholders.
- Nurture leadership with entrepreneurial skills and productively employ the capital harnessed.
- Provide a vehicle for upliftment, personal development and empowerment through finance, education and participation.

Roshgold is progressive in its outlook yet conservative in its business approach. The investor group is broad based and all encompassing. The group enjoys the confidence of its shareholders, bankers and the community at large.

Roshgold is geared to prosper for the benefit of all its stakeholders.

Board of Directors:

1. Ebrahim Sujee - Chairman
2. Haroun Pochee - B. Com. CA (SA)
3. Ahmed Lambat - B. Com. B. Acc. CA (SA)
4. Abdus Samad Gathoo
5. Leendert Marthinus Rolfes
6. Yunus Pochee
7. Sayed Essop Dockrat

Management:

Properties: Fathima Khota
Roshgold: Aadilah Sallie

Administrators

Registered office: 32 Johannesburg
East Road
Arcon Park, 1939

P. O. Box 2372,
Vereeniging, 1930

info@roshgold.co.za
www.roshgold.co.za

Auditors: H Mayet & Co
21 Nirvana Drive
Lenasia, 1827

Bankers: Nedbank

Company secretary: Haroun Pochee

<i>Three Year Review – Group</i>			
	2019	2018	2017
Value of one Roshgold unit:	R2,250	R2,150	R2,150
Shareholders returns:	R22,401,094	R20,436,172	R18,182,385
Number of units in issue:	67,137	59,541	53,973
Fair value of assets under control:	R365 Million	R325 Million	R297 Million

ROSHGOLD INVESTMENT HOLDINGS LIMITED

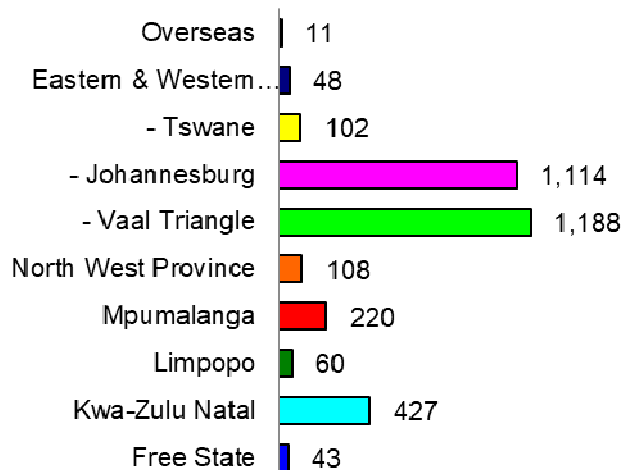
Analysis of Shareholders

Members Holdings	Number of Unit Holders		Number of Units Held		% of Total Units	
	2019	2018	2019	2018	2019	2018
One unit	596	588	596	588	1	1
Two units	402	383	804	766	1	1
Three to five units	664	649	2,658	2,514	4	4
Six to fourteen units	778	769	6,989	6,952	10	12
Fifteen to twenty units	221	220	3,775	3,830	6	6
Twenty and more units	660	617	52,315	44,891	78	76
Total	3,321	3,226	67,137	59,541	100	100

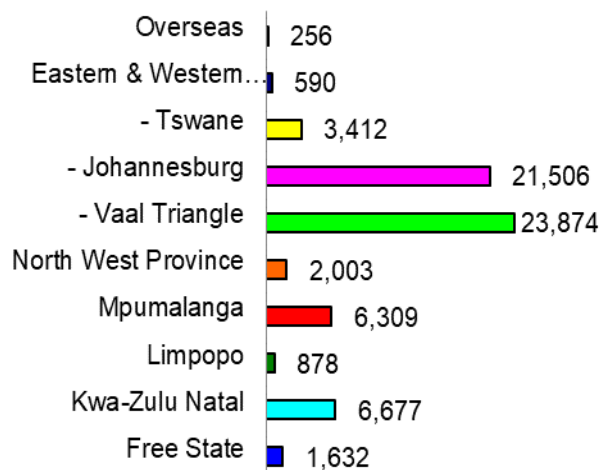
Investor Demographics

Region	Number of Unit Holders		Number of Units Held		% of Total Units	
	2019	2018	2019	2018	2019	2018
Free State	43	41	1,632	894	1	2
Kwa-Zulu Natal	427	424	6,677	5,788	13	10
Limpopo	60	54	878	873	2	1
Mpumalanga	220	214	6,309	5,246	7	9
Northern West Province	108	104	2,003	2,035	3	3
Gauteng						
- Vaal Triangle	1,188	1,169	23,874	21,720	36	36
- Johannesburg	1,114	1,077	21,506	19,920	34	34
- Tshwane	102	91	3,412	2,298	3	4
Eastern & Western Cape	48	41	590	540	1	1
Overseas	11	11	256	227	-	-
Total	3,321	3,226	67,137	59,541	100	100

Unit Holders



Units Held



Chairman's Statement

“Leaders start with the customer and work backwards. They work vigorously to earn and keep customer trust. Although leaders pay attention to competitors, they obsess over customers.” Anderson Steve, The Bezos Letters.

Dearest shareholders, guests and friends.

It is an honour to present the Chairman's Statement for 2019 to this November forum. We appreciate our shareholders and supporters who have demonstrated their commitment to Roshgold with reverence, perseverance and steadfastness.

The leadership and governance that Roshgold exhibited over the years was core to our values of maintaining shareholders' trust, earning our returns and striving to persevere and protect our shareholders monies. This has been achieved with timely reporting, prudent investing and management of our investments. Roshgold's core is characterised by its treatment of shareholders' interests and prioritising the shareholder family. It is not a case of management versus shareholders but rather as one united family. The corporate and political worlds are characterised by greedy management serving self-interests at the expense of their stakeholders.

“Carve your name on hearts, not tombstones. A legacy is etched into the minds of others and the stories they share about you.” Shannon Alder

Two stalwarts who have defined the Roshgold culture, sadly passed on during the year. Their names are forever carved in our hearts and their values and leadership contributed to the success and achievements of Roshgold. We will not forget the valuable life lessons they inculcated in us. Uncle Ebrahim Bhay Dadabhai and Uncle Abbas M Dadoo were legends in community building. Our illustrious founding fathers made certain that they built a company that could contribute to stand the test of time. It is their vision, their integrity, their persistence for accountability, their tenacity and their generosity that runs through the veins of the culture of this great organisation, Roshgold.

Uncle Abbas was unwavering in his quest for shareholders to earn a return that is pure and free of interest. He was brave and fearless when challenged as he was astute and righteous. Uncle Bhay, an avid reader was honest. He always gave the board honest and sound advice.

We salute their unselfish, dedicated commitment and sacrifices made to establish the good name Roshgold bears today.

We pray to the Almighty to keep them as they deserve, amongst His most beloved and His shade of mercy. May their abode in the hereafter be the crowning of all the good they did with unselfish resolve.

Leon Breytenbach, National Manager of the Rawson Property Group asks; *“What does the future hold?”* Breytenbach says change is the only certainty.

The preceding decade has been dramatic, yet it is only the start of the technological revolution in which we find ourselves. Technology is bringing radical change at an ever-increasing pace. *“It is vital to embrace change, upgrade, and stay abreast of technology to promote innovation in our business.”* says Breytenbach. Inventive thinking can only take place in an atmosphere conducive to innovation and this should be encouraged at all costs.

This epitomises Roshgold's commitment to change and the future.

Roshgold continues to grow its shareholder base and has managed satisfactory results in the face of stifling and uncertain economic and political scenarios. The economy is tough and investment performance is very challenging.

The ANC was returned to a majority government once again. However, the political demographics and sentiments are fast changing. There is deep division resulting in country interests being sacrificed by in-fighting. The lack of service delivery and drain of State owned enterprises is having a negative effect on the economy and confidence of the electorate. The future of the ruling party could dramatically change by the next general or local elections.

These conditions, coupled with high levels of unemployment, especially amongst the youth, a declining Rand, migration of professional and business people, high inflation and shortage of funding will continue to impact the economy.

These factors adversely affect financial, retail, manufacturing and housing. The ripple effect of the contracting economy is pressure for lower rentals and yields which are seriously eroding returns. Those earning returns in other classes of investments are also affected. We should not fool ourselves, this is real.

Chairman's Statement (continued)

Conditions in the global economy are fragile and investing offshore is also challenging. The currency depreciation is the real reason for growth in investments. As an example, I refer you to the performance of Roshmetals and Minerals' performance. Two years ago, this portfolio's performance was impacted negatively as commodity prices crashed. Those contrarian investors that spread their risk and invested, have benefited from the recoveries in commodity prices and the depreciation of the Rand exchange rate. The price of a Roshmetals unit has appreciated approximately 73% since March 2017.

The group will continue to act in the interest of shareholders and our policy of prudence. This policy has made certain that our capital base has been insulated. Roshgold has withstood these challenges. Many other investment companies with gearing and high-risk investments have been adversely affected by diminishing capital valuations.

Shareholders, we thank you for your patience and assure you that there are exciting developments which will yield returns that are above market average. Shareholders, we are in for the long haul.

The Sandton development has been allocated the necessary zoning and is an attractive property investment in the wealthiest square mile in Africa. Project planning will now commence.

The investment in Ahmed Al-Kadi Hospital shows promise and the hospital has received recognition and awards. The occupancies have increased and the hospital has been granted a cathlab licence. The board of directors have implemented a plan to get the hospital to start paying dividends.

The property and business portfolio is sound. Roshgold has consulted and engaged property consultants to review and revitalise properties in order to attract better tenants and rentals. Sustainability of the portfolio is essential.

The board is not averse to disposing of investments that don't have a future growth potential.

The Roshgold board is continuing its quest of developing the next generation of leadership. We have encouraged younger members of the team in

negotiations and formalising Roshgold's proposed investment into a new class of investment. Roshgold has proposed purchasing a majority stake in a franchised business with a number of outlets. The investment has potential for growth and widening our basket of risk diversification. The forecasted returns will enhance Roshgold's returns to shareholders. The task team and appointed legal team are working toward finalising the deal.

The YBAA programme has created a new vibe of enthusiasm amongst young entrepreneurs. The excitement and continued growth of this competition is heartening. Since inception in 2017, over 250 young businesses have been supported, showcased or mentored. There is a true awakening of a passion for business amongst the younger generation. Trade is returning to our blood in a new way with many innovative businesses operating in diverse sectors of the economy.

The new generation investor is different from the way their parents may have invested. Technology and opportunity have changed expectation, behaviour and thought processes of these, Generation X, investors. They are accustomed to making quick decisions and their expectations are high with much higher risk tolerance than our generation.

It is Roshgold's aim to attract and grow a new generation of investors. Roshgold is embracing this change and will make the necessary investment in people, our infrastructure and develop our human capital to manage and maintain our initiatives. As has been done over 35 years, spread the word, call to action and let us bring home a future generation of investors and leaders who will continue the work started by our esteemed founders. It is time to carve Roshgold into the hearts of a new generation.

The Roshgold Management Team, we thank you for your continuous support and your willingness to develop innovations to meet the needs of the company and our shareholders. We appreciate your teamwork and selfless commitment to drive Roshgold towards success.

Chairman's Statement (continued)

“Greatness to me is a man’s attitude in the face of everything – a smile in the face of adversity, composure in times of extreme joy, presence and peace of mind when under pressure; a strong shoulder to others in times of need. It’s thankfulness to the Almighty under every circumstance.” Abdulaziz Khayyak, Sub Editor/Reporter at Gulf Construction Magazine

This past year has been eventful for Roshgold, together we have endured many challenges.

We ask the Almighty to guide us through these challenges for now and the future.

It is only a team of synchronised intentions, selfless commitment and a team that is not afraid to be frank and honest that makes a ship sail toward its destination in the most deadly and stormy waters.

My esteemed and wise fellow board members, “thank you” will never suffice for the effort and guidance you offer. You are indelibly imprinted as the reasons for Roshgold’s success.

Shareholders, undoubtedly this milestone of 35 years is the commitment and unwavering support that has been afforded to the group.

The past and future successes of Roshgold are yours to enjoy and build. Your continued belief, engagement and commitment is required to protect our future.

E.A. Sujee
Chairman

Directors' Responsibility Statement and Secretary's Declaration

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

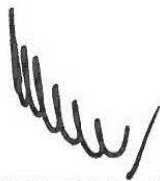
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors have considered the current financial position, and they are satisfied that the company has or has access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the company's annual financial statements. The annual financial statements have been examined by the company's external auditors and their report is presented on pages 7 and 8.

The annual financial statements, which have been prepared on the going concern basis, were approved by the board on 15 October 2019 and were signed on its behalf by:



H. Pochee



L.M. Rolfes

Secretary's Declaration

The secretary certifies that the company has lodged with the Registrar of Companies all such returns as are required of a public Company in terms of Companies Act, as amended and that all such returns are true, correct and up to date.



Haroun Pochee
Company Secretary
15 October 2019

Independent Auditor's Report

TO THE SHAREHOLDERS OF ROSHGOLD INVESTMENT HOLDINGS LIMITED

Opinion

We have audited the financial statements of Roshgold Investment Holdings Limited set out on pages 13 to 26, which comprise the statement of financial position as at 30 June 2019, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 30 June 2019, and its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act of South Africa, and the supplementary information set out on page 27. Other information does not include the financial statements and our Auditor's Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standard for Small and Medium-sized Entities and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

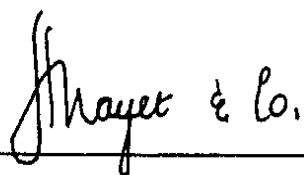
Independent Auditor's Report (continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



H. MAYET & CO
Haroun Mayet
Chartered Accountants (S.A.)
Registered Auditors

Johannesburg
15 October 2019

ROSHGOLD INVESTMENT HOLDINGS LIMITED

Directors' Report

Your directors have pleasure in presenting their annual report on the activities of the company.

NATURE OF THE BUSINESS AND FINANCIAL RESULTS

The company carries on the business of an investor. The state of the company's affairs are fully set out in the attached financial statements.

DIVIDENDS AND RETURNS

A dividend of R478,730 (2018: R403,915) was declared for the group and the company declared a dividend of R280,000 (2018: R285,000). Shareholders returns totalling R9,125,000 (2018: R8,740,000) were provided for the year and will be paid by the end of December 2019. Shareholders returns for the group totalled R22,401,094 (2018: R20,436,172).

SHARE CAPITAL

7,596 (2018: 5,568) ordinary shares of R1-00 each were issued during the year under review to increase and broaden the capital base of the company.

INVESTMENTS

The company acquired unlisted investments of R78,763 (2018: R843,460) and listed investments of R49,334 (2018: R58,560) for the year under review. The fair values of the listed and unlisted investments of the group and company are disclosed in the notes to the financial statements; note 6.

DIRECTORS AND SECRETARY

Details of the directorate and the company secretary are disclosed on the contents page of the Annual Report. The board is of the opinion that the company secretary is suitably qualified and experienced to carry out his duties as stipulated under Section 86 of the Companies Act. The company secretary provides guidance to the directors on their duties and ensures awareness of all relevant statutory requirements and legislation. All directors have access to the advice and services of the company secretary, at the company's expense, where it has been requested by the directors.

POST STATEMENT OF FINANCIAL POSITION EVENTS

There were no properties or investments purchased after year end.

ROSHGOLD INVESTMENT HOLDINGS LIMITED

Directors' Report (continued)

SUBSIDIARY COMPANIES	INTEREST		LOAN BALANCE		FAIR VALUE	
	2019	2018	2019	2018	2019	2018
DIRECTLY HELD SUBSIDIARIES	%	%	R	R	R	R
AL-IKWAAN INVESTMENTS (PTY) LTD (Reg. No : 1999/022178/07)	6	6	744,708	730,823	1,117,148	1,117,148
EDME INVESTMENTS (PTY) LTD (Reg. No : 1969/010704/07)	24	24	7,721,649	7,542,673	10,038,874	10,038,874
ROSHGOLD PROPERTIES (PTY) LTD (Reg. No : 1989/000002/07)	56	56	1,541,280	1,451,712	2,534,400	2,534,400
ROSHGOLD VENTURES (PTY) LTD (Reg. No : 1991/000479/07)	56	56	915,503	884,498	1,063,044	1,063,044
ROSHMEADOW PROPERTIES LTD (Reg. No : 1996/000402/06)	59	59	5,223,022	5,065,822	9,335,374	9,335,374
ROSHMERRIMAN PROPERTIES (PTY) LTD (Reg. No : 1991/000059/07)	20	20	560,494	576,217	1,567,691	1,567,690
ROSHMETALS & MINERALS LTD (Reg. No : 1989/000054/06)	46	46	1,407,259	919,618	5,381,419	5,381,419
ROSHPRO PROPERTIES (PTY) LTD (Reg. No : 1991/000363/07)	35	35	694,824	694,824	1,798,094	1,798,094
ROSHSUN INVESTMENTS LTD (Reg. No : 2000/028188/06)	6	6	2,920,000	2,920,000	4,088,000	4,088,000
ROSLIN PROPERTIES (PTY) LTD (Reg. No : 2013/153653/07)	26	26	4,653,000	4,653,000	6,005,942	6,005,942
SHONALANSA TRADING (PTY) LTD (Reg. No : 2007/022145/07)	31	31	10,254,188	10,254,188	10,563,737	10,563,737
ROSH GLOBAL SERVICES (PTY) LTD (Reg. No : 2014/243583/07)	67	67	15,049,000	15,049,000	15,049,000	15,049,000
INDIRECTLY HELD SUBSIDIARIES						
MARHABAN (PTY) LTD (Reg. No: 1989/001214/07)	72	72	9,123,737	9,123,737	19,155,250	19,155,250
TOTAL			60,808,464	59,866,112	87,697,973	87,697,972

Review of Operations

It gives us great pleasure in tabling the review of the company and group's operations for the year to 30 June 2019.

1. REVIEW OF FINANCIAL RESULTS

Total group's income for the year was R32.9 million against R29.1 million in 2018. Revenue increased by R3,9 million due to a 6% increase in rental income as well as a 27% increase in investment income.

Total expenditure for the group before apportioning shareholders returns and excluding fair value adjustments increased from R7,9 million in 2018 to R9,8 million in 2019. The increases were primarily driven by increases in municipal charges, bad debts and a slight increase in repairs and maintenance. Rental income includes recoveries on municipal charges and in this regard the board has worked closely with collection agents to ensure that rising and inconsistent municipal charges have been recovered from tenants and duly taken up with municipalities. With municipalities struggling both financially and operationally, billing issues remain a concern for property owner's country wide.

As the country struggles to shrug off the effects of a technical recession and with all major sectors of the economy facing tougher trading conditions, our tenants have also been impacted by this, thus contributing to a significant rise in bad debts. With the law in favour of tenants, our collection agents have had to carefully negotiate outstanding amounts and renegotiate leases. Although bad debts have risen, our properties are generally well let but the board will continue to monitor this trend.

The board is pleased to announce that total group returns paid to shareholders has increased by 10% from R20,4 million in 2018 to R22,4 million in 2019. For the year under review, Roshgold will pay returns of R137.35 (2018: R145.51) per unit whilst Roshsun will pay R112.31 per unit (2018: R101.12). The share price increase of 5% confirmed at last year's AGM from R2,150 to R2,250 has been well received by shareholders as seen by the increase in the capital base and overall shareholder sentiment.

2. MAINTENANCE OF THE CAPITAL BASE

Roshgold's capital base increased by a net 7,596 units as the number of units in issue increased to 67,137. An analysis of the capital base re-affirms shareholder loyalty as in excess of 78% of shareholders hold over 20 or more units.

Investor growth in property subsidiary Roshsun, is consistent. Roshsun's capital base increased by 14% with

the share capital closing the year on 70,165 units. The cost per unit remains consistent at R1,400.

3. THE INVESTMENT PORTFOLIO

At year end property accounted for 67% of the total investment portfolio. The property portfolio is diverse in terms of tenant mix and geographical spread. Whilst our properties are mainly let and relatively well positioned, market conditions have tightened and rental rates have remained static.

The investment portfolio is diverse across asset classes and underlying risk profiles. The capital appreciation experienced on major investments confirms the group's long-term conservative outlook on capital preservation and income generation. The most notable results included the following:

- The investment in Albaraka Bank through Timewest Investments improved with the share price increasing from R19.80 to R 22.30 per share.
- The Ahmed Al-Kadi share price has remained consistent at R14 at year end. There was no impairment in the investment.

The board would like to thank the A4 Town Planning Advisory team for their sterling work on the Sandhurst property. After numerous appeals, the City of Joburg has finally approved the rezoning of the property to Residential 3. This will allow the development of a three-storey building with up to 33 units and an opportunity to truly unlock the potential of this investment.

Despite a flat economy, South Africa's fast food franchise sector has shown strong growth in revenue over the past couple of years.

The franchising sector as a whole, contributed an estimated 15% to the country's GDP for 2018. The Board has been considering entering this market for a few years as a means of diversification to the portfolio and in an effort to provide value to its shareholders. An opportunity to invest in a franchise group with successful multi brand stores has been presented to the board, which the board is seriously considering.

4. METALS AND MINERALS

Whilst local equities have been adversely affected by a range of factors including; the recession, the global slump in economic trade and stagnant commodity prices, the Board is pleased to announce our listed market performance has shown resilience with Roshmetals shares starting the year at R1,020 per unit and ending on R1,440 per unit.

Review of Operations (continued)

Dividend income earned for the year totalled R730,000 (2018: R642,000) whilst benefit income from surplus cash totalled R213,000 (2018: R175,000).

A Tax-free dividend of R350,000 will be distributed to shareholders in respect of the 2019 financial year.

5. ROSHGOLD MARKETING

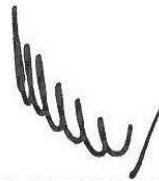
Roshgold marketing initiatives continue to target the development and extension of the group's brand and its contribution to social investment projects. This year the focus was on women's empowerment and Roshgold contributed to two events: The South African National Women's Forum "Sisters and Youth Empowerment Conference" and the Vaal Muslim Women's Forum "Pots and Palettes Event".

Now in its third year running, the Roshgold Young Business Achievers Awards has become a major event for young business people across the country. With previous winners going on to participate in other major business events, Roshgold hopes to promote new opportunities to a growing segment of our community. The 2019 awards will take place on the 25th January 2020.

Roshgold would like to thank Albaraka Bank Ltd, Awqaf and other sponsors and volunteers for their continuous support of this exceptional initiative.

APPROVAL OF ANNUAL FINANCIAL STATEMENTS

The annual financial statements and group annual financial statements presented on pages 9 to 26 were approved by the Board of directors on 15 October 2019.



H. Pochee



L.M. Rolfes

ROSHGOLD INVESTMENT HOLDINGS LIMITED
Statement of Financial Position

30 JUNE 2019		COMPANY		GROUP	
	Notes	<u>2019</u> R	<u>2018</u> R	<u>2019</u> R	<u>2018</u> R
ASSETS					
NON-CURRENT ASSETS					
		88,873,457	89,006,300	207,334,682	202,372,872
Investment property	3	-	-	138,979,693	138,979,693
Investment in subsidiaries	4	68,537,924	68,542,722	-	-
Plant and equipment	5	59,854	54,339	98,639	97,774
Investments	6	20,275,679	20,409,239	66,624,257	61,615,555
Intangible assets	7	-	-	1,632,093	1,679,850
CURRENT ASSETS					
		72,297,618	55,930,159	158,141,370	122,442,154
Trade and other receivables	8	2,687,848	3,540,813	6,119,725	4,406,525
Cash and cash equivalents	9	69,609,770	52,389,346	152,021,645	118,035,629
TOTAL ASSETS		161,171,075	144,936,459	365,476,052	324,815,026
EQUITY AND LIABILITIES					
CAPITAL AND RESERVES					
		69,994,757	64,114,806	241,395,714	218,185,966
Issued capital	10	67,137	59,541	67,137	59,541
Share premium		55,431,015	47,763,767	55,431,015	47,763,767
Retained income		14,438,041	16,232,934	21,745,576	20,409,044
Non-distributable reserves		58,564	58,564	95,376	95,376
Non-controlling interest		-	-	164,056,610	149,858,238
NON-CURRENT LIABILITIES					
		75,990,982	67,242,338	91,682,281	80,509,131
Shareholders loans	11	71,665,215	63,724,763	71,665,215	61,535,539
Deferred taxation	12	4,325,767	3,517,575	20,017,066	18,973,592
CURRENT LIABILITIES					
		15,185,336	13,579,315	32,398,057	26,119,929
Trade and other payables		15,185,336	13,579,315	32,398,057	26,119,929
TOTAL EQUITY AND LIABILITIES		161,171,075	144,936,459	365,476,052	324,815,026

ROSHGOLD INVESTMENT HOLDINGS LIMITED

Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2019		COMPANY		GROUP	
Notes	<u>2019</u> R	<u>2018</u> R	<u>2019</u> R	<u>2018</u> R	
Revenue	10,221,570	9,728,939	32,934,996	29,054,347	
Other income	-	-	-	9,246	
Operating expenses	(800,058)	(695,572)	(9,810,083)	(7,943,582)	
Operating profit	9,421,512	9,033,367	23,124,913	21,120,011	
Fair value adjustments	(988,500)	(320,436)	4,658,364	3,046,226	
Finance costs	(9,125,000)	(8,740,000)	(22,401,094)	(20,436,172)	
Profit (loss) before taxation	(691,988)	(27,069)	5,382,183	3,730,065	
Taxation	13 (822,905)	63,328	(1,204,045)	(1,553,075)	
Profit (loss) for the year	(1,514,893)	36,259	4,178,138	2,176,990	
Profit attributable to:					
Equity Holders of the Company	-	-	1,815,262	951,500	
Non-Controlling Interest	-	-	2,362,876	1,225,490	
	-	-	4,178,138	2,176,990	

ROSHGOLD INVESTMENT HOLDINGS LIMITED
Statement of Equity
30 JUNE 2019

COMPANY						GROUP					
Issued Capital	Retained Income	Share Premium	Non-Distributable Reserves	Total		Issued Capital	Retained Income	Share Premium	Non-Distributable Reserves	Non-Controlling Interest	Total
R	R	R	R	R		R	R	R	R		R
53,973	16,481,675	42,262,582	58,564	58,856,795	Balance at 30 June 2017	53,973	19,861,459	42,262,582	95,376	131,571,523	193,844,913
5,568	-	-	-	5,568	Shares issued	5,568	-	-	-	-	5,568
-	-	5,501,185	-	5,501,185	Share premium	-	-	5,501,185	-	-	5,501,185
-	-	-	-	-	Transactions with non-controlling interest	-	-	-	-	19,512,205	19,512,205
-	(285,000)	-	-	(285,000)	Dividends	-	(403,915)	-	-	-	(403,915)
-	36,259	-	-	36,258	Net income for the year	-	951,500	-	-	(1,225,490)	(273,990)
59,541	16,232,934	47,763,767	58,564	64,114,806	Balance at 30 June 2018	59,541	20,409,044	47,763,767	95,376	149,858,238	218,185,966
7,596	-	-	-	7,596	Shares issued	7,596	-	-	-	-	7,596
-	-	7,667,248	-	7,667,248	Share premium	-	-	7,667,248	-	-	7,667,248
-	-	-	-	-	Transactions with non-controlling interest	-	-	-	-	11,835,496	11,835,496
-	(280,000)	-	-	(280,000)	Dividends	-	(478,730)	-	-	-	(478,730)
-	(1,514,893)	-	-	(1,514,893)	Net income for the year	-	1,815,262	-	-	2,362,876	4,178,138
67,137	14,438,041	55,431,015	58,564	69,994,757	Balance at 30 June 2019	67,137	21,745,576	55,431,015	95,376	164,056,610	241,395,714

Statement of Cash Flow

FOR THE YEAR ENDED 30 JUNE 2019	COMPANY		GROUP	
	<u>2019</u> R	<u>2018</u> R	<u>2019</u> R	<u>2018</u> R
Cash generated from trading operations	8,418,299	9,019,899	22,658,620	21,429,562
Net profit before taxation and non-deductible expenses	7,393,286	9,334,086	27,275,821	24,467,938
Fair value adjustments	988,500	(320,436)	(4,658,364)	(3,046,226)
Depreciation	36,513	6,249	41,163	7,850
Working capital changes	2,458,986	2,495,089	4,564,928	3,776,435
Decrease (Increase) in trade and other receivables	852,965	(274,648)	(1,713,200)	195,405
Increase in trade and other payables	1,606,021	2,769,737	6,278,128	3,581,030
Cash generated by operating activities	10,877,285	11,514,988	27,223,548	25,205,997
Cash generated (utilised) in investment activities	132,843	(3,547,107)	2,276	(7,774,021)
Investment in subsidiaries	4,798	(2,622,461)	-	-
Property, plant and equipment	(5,515)	(22,626)	(42,027)	(5,966,157)
Investments	133,560	(902,020)	(142,965)	(1,807,864)
Proceeds from sale of investments	-	-	187,268	-
Cash generated by financing activities	6,210,296	2,182,367	6,760,192	46,103
Shareholders loans raised (repaid)	7,940,452	5,700,614	7,940,452	(1,227,429)
Proceeds from shares issued	7,596	5,568	7,596	5,568
Proceeds from share premium	7,667,248	5,501,185	7,667,248	5,501,185
Non-controlling interest	-	-	14,024,720	16,606,865
Dividends declared	(280,000)	(285,000)	(478,730)	(403,914)
Shareholders returns	(9,125,000)	(8,740,000)	(22,401,094)	(20,436,172)
Net cash generated (utilised) during the year	17,220,424	(10,150,248)	33,986,016	(17,478,079)
Cash and cash equivalents at beginning of year	52,389,346	42,239,098	118,035,629	100,557,550
Cash and cash equivalents at end of year	69,609,770	52,389,346	152,021,645	118,035,629

Significant Accounting Policies

30 JUNE 2019

1. GENERAL INFORMATION

Roshgold Investment Holdings Ltd. was incorporated in 1984 under the laws applicable to South Africa. The address of its registered office and principal place of business is disclosed on page 1 of this report. The financial statements for the year ended 30 June 2019 comprise the company and group.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the requirements of the South African Companies Act. These policies have been applied consistently to all years presented, unless otherwise stated.

Key judgments and the use of estimates

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

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

Significant estimates are required in the determination of future cash flows and probabilities in assessing net recoverable amounts used in valuing investment property.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

2.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except for the revaluation of certain non-current assets and financial instruments. The principal accounting policies are set out below.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary companies. The results of the subsidiary companies are consolidated from effective date of achieving control until the date that control ceases. Control is achieved where the company has the power to govern the financial and operating policies of a subsidiary so as to obtain benefits from its activities. The assets and liabilities of the subsidiary companies are recognised at their fair values at the date of acquisition.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

2.4 Revenue recognition

Rental income

Rental income from investment properties is recognized in line with the term of the relevant lease. This income source comprises rental income and operating lease recoveries from investment properties.

Revenue is measured at the fair value of the consideration received or receivable for rental and recoveries, net of value added tax.

Dividend revenue

Dividend revenue from investments is recognised when the shareholder's right to receive payment has been established.

Profit share revenue

Revenue from profit sharing is recognised when the company's right to receive the revenue is established.

Significant Accounting Policies (continued)

30 JUNE 2019

2.5 Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- And in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Comprehensive Income.

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

2.6 Operating Leases

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

2.7 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The entity's principal equity instruments are share capital and shareholders' loans.

Shareholders loans are recognised at the proceeds received less principal payments.

2.8 Investment property

Investment properties are held to earn rental income and for subsequent capital appreciation. Investment properties are initially measured at cost.

The cost of the investment properties comprises the purchase price and directly attributable expenditure. Subsequent expenditure relating to investment properties is capitalised when it is probable that future economic benefits from the use of the asset will be increased. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

After initial recognition, investment properties are measured at fair value. Fair values are determined every three years by registered independent valuers. The last valuations were done in 2017.

Significant Accounting Policies (continued)

30 JUNE 2019

2.9 Financial assets

Listed investments

Listed investments are initially accounted for at cost, including transaction cost. Listed investments are revalued at the ruling open market price at financial year end.

Unlisted investments

The directors revalue the investments at financial year end based on the valuation of the underlying assets.

Other investments

All other financial assets are measured at fair value.

2.10 Financial liabilities

Payables are considered to be short-term in nature and are measured at cost.

2.11 Other financial liabilities

Interest bearing borrowings are initially recognised at fair value less attributable transaction costs.

2.12 De-recognition of financial instruments

The Group de-recognises a financial asset only when the contractual rights to the cash flows from the assets expire or the financial asset and substantially all the risks and rewards of ownership of the asset are transferred to another entity. If the Group neither transfers nor retains substantially all risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise a collateralised borrowing for the proceeds received.

The Group de-recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

2.13 Impairment of assets

The company assesses at financial year end whether there is any indication that an asset may be impaired. If any such indication exists, the company estimates the recoverable amount of the asset.

2.14 Goodwill

Goodwill represents the excess of the cost of acquisition of the Group's interest over the fair value of the identifiable assets of the subsidiary at the date of acquisition.

2.15 Financial Instruments

Financial instruments included on the statement of financial position include cash and cash equivalents, receivables, payables and borrowings. These instruments are initially measured at cost, which include transaction costs. Subsequent methods adopted are disclosed in the individual statement associated with each item.

Trade and other receivables originated by the company are stated at cost less impairment losses.

Non – derivative financial instruments are measured at amortized cost, comprising original debt less principal payment and amortisations.

2.16 Related Party Transactions

All Subsidiaries and Associated Companies of the group are related parties. All transactions entered into with subsidiaries were under terms no more favourable than those with third parties and have been eliminated in the consolidated group accounts. Balances with other related parties are set out in note 15.

Notes to the Financial Statements

30 JUNE 2019	GROUP	
	2019 R	2018 R
3. INVESTMENT PROPERTY		
<u>Roshpro Properties (Pty) Ltd</u>		
Portion 1 of Erf 213, 18 Hofmeyer Avenue, Vereeniging with buildings thereon, acquired in 1991.	1,050,000	1,050,000
At cost	551,632	551,632
Fair value adjustment	498,368	498,368
Remaining extent of Erf 361 Vereeniging, with buildings thereon, acquired in 1990.	5,300,000	5,300,000
At cost	1,229,079	1,229,079
Fair value adjustment	4,070,921	4,070,921
<u>Roshmerriman Properties (Pty) Ltd</u>		
Remaining extent of Erf 429 Vereeniging Township, with buildings thereon, acquired in 1990.	4,446,547	4,446,547
At cost	753,747	753,747
Fair value adjustment	3,692,800	3,692,800
<u>Marhaban (Pty) Ltd</u>		
Portion 3 of Erf 1548 Secunda Ext 1 Township with buildings thereon, acquired in 1996.	8,300,000	8,300,000
At cost	3,445,278	3,445,278
Fair value adjustment	4,854,722	4,854,722
Erf 5338, Sasolburg Ext 50. District Parys, Free State Province with buildings thereon, acquired in 1996.	7,700,000	7,700,000
At cost	2,376,369	2,376,369
Fair value adjustment	5,323,631	5,323,631
<u>Al-Ikwaan (Pty) Ltd</u>		
Portion 252 of Erf 602 Spartan Extention 2, Registration I.R., Province of Gauteng with buildings thereon, acquired in 2002.	16,300,000	16,300,000
At cost	8,341,575	8,341,575
Fair value adjustment	7,958,425	7,958,425
<u>Edme Investment (Pty) Ltd</u>		
Erf 11, 12, 14 and 16 situated in Witbank Township, Registration division I.S. Provinces of Mpumalanga, with buildings thereon.	21,000,000	21,000,000
At cost	10,177,607	10,177,607
Fair value adjustment	10,822,393	10,822,393
Erf 61 situated in Long Meadow Extention 2 Township, Registration division I.R. Province of Gauteng measuring 7,976 square metres.	20,800,000	20,800,000
At cost	17,721,372	17,721,372
Fair value adjustment	3,078,628	3,078,628
<u>Shonalansa Trading (Pty) Ltd</u>		
Portion 1 of Erf 1057, Harrismith with Buildings thereon, acquired in 2011.	11,600,000	11,600,000
At cost	11,201,136	11,201,136
Fair value adjustment	398,864	398,864
Erf 8587 Queenstown with buildings thereon, acquired in 2016.	15,794,176	15,794,176
Erf 295 Postmasburg situated in the Tsantsabane Municipality District Hay Northern Cape Province in extent 478 square metres with buildings thereon, acquired in 2017	5,866,482	5,866,482
<u>Rosh Global Services (Pty) Ltd</u>		
Remaining extent of portion 4 of Erf 34, Sandhurst acquired in 2016	20,822,488	20,822,488
At cost		
Total Cost	98,280,941	98,280,941
Total Fair Value Adjustment	40,698,752	40,698,752
Total Investment Property	138,979,693	138,979,693

There were no fair value adjustments on any investments for the year. Valuations are done every 3 years. The last valuation done was in 2017.

Notes to the Financial Statements (continued)

30 JUNE 2019	COMPANY		GROUP	
	2019 R	2018 R	2019 R	2018 R
4. INVESTMENT IN SUBSIDIARIES				
<u>Roshgold Properties (Pty) Ltd</u>	2,529,600	2,534,400		
Cost of investment	1,596,526	1,511,758		
Fair value adjustment	933,074	1,022,642		
<u>Roshmetals & Minerals Ltd</u>	5,381,419	5,381,419		
Cost of investment	4,001,046	3,746,866		
Fair value adjustment	1,380,373	1,634,553		
<u>Edme Investments (Pty) Ltd</u>	10,038,874	10,038,874		
Cost of investment	7,904,702	7,725,726		
Fair value adjustment	2,134,172	2,313,148		
<u>Roshmerriman Properties (Pty) Ltd</u>	1,567,692	1,567,690		
Cost of investment	734,956	750,679		
Fair value adjustment	832,736	817,011		
<u>Roshpro Properties (Pty) Ltd</u>	1,798,094	1,798,094		
Cost of investment	829,074	829,074		
Fair value adjustment	969,020	969,020		
<u>Roshmeadow Properties Ltd</u>	9,335,374	9,335,374		
Cost of investment	5,267,946	5,110,746		
Fair value adjustment	4,067,428	4,224,628		
<u>Roshgold Ventures (Pty) Ltd</u>	1,063,044	1,063,044		
Cost of investment	1,023,332	978,571		
Fair value adjustment	39,712	84,473		
<u>Roshsun Investments Ltd</u>	4,088,000	4,088,000		
Cost of investment	3,073,900	3,073,900		
Fair value adjustment	1,014,100	1,014,100		
<u>Shonalansa Trading (Pty) Ltd</u>	10,563,737	10,563,737		
Cost of investment	10,254,219	10,254,219		
Fair value adjustment	309,518	309,518		
<u>Al-Ikwaan (Pty) Ltd</u>	1,117,148	1,117,148		
Cost of investment	793,191	779,306		
Fair value adjustment	323,957	337,842		
<u>Roslen Properties (Pty) Ltd</u>	6,005,942	6,005,942		
Cost of investment	4,700,000	4,700,000		
Fair value adjustment	1,305,942	1,305,942		
<u>Roshglobal Properties (Pty) Ltd</u>	15,049,000	15,049,000		
Cost of investment	15,049,000	15,049,000		
Fair value adjustment	-	-		
Total investment at fair value	68,537,924	68,542,722		
Total investment at cost	55,227,892	54,509,845		

The fair values of the above investments have been determined with reference to the fair value of the underlying entity.

Notes to the Financial Statements (continued)

30 JUNE 2019	COMPANY		GROUP	
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5. PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	2019 Carrying Value	Cost	Accumulated Depreciation	2018 Carrying Value
Office equipment	56,030	23,115	32,915	21,055	14,915	6,140
Computer equipment	91,044	64,105	26,939	83,992	35,793	48,199
TOTAL- COMPANY	147,074	87,220	59,854	105,047	50,708	54,339
Fixtures and fittings	46,500	7,715	38,785	46,500	3,065	43,435
TOTAL- GROUP	193,574	94,935	98,639	151,547	53,773	97,774

	<u>2019</u> <u>R</u>	<u>2018</u> <u>R</u>	<u>2019</u> <u>R</u>	<u>2018</u> <u>R</u>
6. INVESTMENTS				
<u>At Fair Value</u>				
Listed investments	1,693,870	1,826,569	19,594,557	14,860,461
Unlisted investments	18,581,809	18,582,670	47,029,700	46,755,094
	20,275,679	20,409,239	66,624,257	61,615,555
<u>At Cost</u>				
Listed investments	1,585,745	1,536,411	9,857,356	10,044,624
Unlisted investments	12,688,507	12,609,744	34,294,666	34,103,944
	14,274,252	14,146,155	44,152,022	44,148,568

6.1. LISTED INVESTMENTS - GROUP

	<u>2019</u> <u>Shares held</u>	<u>2019</u> <u>Fair Value</u>	<u>2018</u> <u>Shares held</u>	<u>2018</u> <u>Fair Value</u>
Adaptit Holdings Ltd	21,000	119,280	21,000	189,000
Adbee (RF) Ltd	399	23,745	399	22,045
Adcock Ingram Ltd	2,383	134,665	2,383	136,530
Anglo American Platinum Corporation Ltd	5,544	2,232,014	5,374	1,652,128
Anglo American Plc Ltd	3,000	2,510,790	3,000	1,077,000
Anglogold Ltd	3,500	889,035	3,500	392,420
Assore Ltd	5,000	1,833,900	5,000	1,462,800
BHP Billiton Plc Ltd	6,039	2,178,630	5,800	1,802,408
Exxaro Resources Ltd	9,800	1,685,502	9,800	1,231,860
Glencore Xstrata Plc	10,000	504,798	10,000	659,500
Gold Fields Ltd	9,700	744,475	9,700	477,240
Impala Platinum Holdings Ltd	6,200	432,450	6,200	125,550
Kumba Iron Ltd	4,800	2,397,024	4,800	1,414,848
Life Health Care Group Holdings Ltd	33,667	755,487	31,867	792,851
Lonmin Ltd	50	838	50	388
Mediclinic International Plc	1,005	54,722	1,005	95,867
MTN Group Ltd (Asonge)	1,488	158,844	1,488	130,278
Northam Platinum Ltd	15,000	885,000	15,000	550,200
Sasol Ltd	3,400	1,190,714	3,400	1,709,724
South 32 Ltd	10,800	336,096	10,800	397,548
Vodacom Group Ltd	4,400	526,548	4,400	540,276
Total fair value of listed investments		19,594,557		14,860,461
Net cost of listed investments		9,857,356		10,044,624

Notes to the Financial Statements (continued)

30 JUNE 2019	COMPANY		GROUP		
	<u>2019</u> <u>R</u>	<u>2018</u> <u>R</u>	<u>2019</u> <u>R</u>	<u>2018</u> <u>R</u>	
6.2	<u>LISTED INVESTMENTS – COMPANY</u>		<u>2019</u>	<u>2018</u>	
	<u>Shares held</u>	<u>Shares held</u>	<u>Fair Value</u>	<u>Fair Value</u>	
	Adapit Holdings Ltd	21,000	21,000	119,280	189,000
	Adbee (RF) Ltd	399	399	23,745	22,045
	Adcock Ingram Ltd	2,383	2,383	134,666	136,530
	Life Healthcare Group Ltd	33,667	31,867	755,487	792,851
	Mediclinic International Plc	1,005	1,005	54,722	95,867
	MTN Group Ltd	744	744	79,422	50,000
	Vodacom Group Ltd	4,400	4,400	526,548	540,276
	Total fair value of listed investments			1,693,870	1,826,569
	Net cost of listed investments			1,585,745	1,536,411
6.3.	<u>UNLISTED INVESTMENTS</u>		<u>2019</u>	<u>2018</u>	
	<u>Fair value</u>	<u>Fair value</u>	<u>Fair value</u>	<u>Fair value</u>	
	Welkom Yizani Investments Ltd	4,085	4,945	4,085	4,945
	Erf 549 Vereeniging (Pty) Ltd	-	-	216,564	213,114
	Surf Candy Investments (Pty) Ltd	-	-	763,299	763,299
	Roshpower Properties (Pty) Ltd	1,113,511	1,113,511	1,113,511	1,113,511
	Checkfield Investments (Pty) Ltd	60,466	64,462	2,653,710	2,578,853
	Fitsfield Investments (Pty) Ltd	233,454	233,455	645,152	637,204
	Agnus Investments (Pty) Ltd	-	-	99,086	95,972
	Amalgamated Enterprises (Vaal) (Pty) Ltd	34,222	34,222	211,301	206,021
	Erf 426 Vereeniging (Pty) Ltd	2,367,509	2,367,509	2,367,509	2,367,509
	Top Share Equities Ltd	1,176,382	1,176,382	1,176,382	1,176,382
	Timewest Investments (Pty) Ltd	11,206,080	11,202,084	12,257,580	12,082,084
	Lenmed Clinic Ltd	1,761,000	1,761,000	1,761,000	1,761,000
	MMM Investments (Pty) Ltd	625,100	625,100	1,255,521	1,250,200
	Ahmed Al-Kadi Private Hospital Ltd	-	-	22,505,000	22,505,000
	Total fair value	18,581,809	18,582,670	47,029,700	46,755,094
	Total cost	12,688,507	12,609,744	34,294,666	34,103,944
7.	Intangible assets				
	Goodwill at acquisition net of disposals	-	-	1,632,093	1,679,850
	The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.				
8.	TRADE AND OTHER RECEIVABLES				
	Trade and other receivables	2,687,848	3,540,813	6,119,725	4,406,525

Notes to the Financial Statements (continued)

30 JUNE 2019	COMPANY		GROUP	
	2019 R	2018 R	2019 R	2018 R
9. CASH AND CASH EQUIVALENTS				
Bank balances.	69,609,770	52,389,346	152,021,645	118,035,629
The group and company had no overdrawn bank accounts at year end and therefore no off-setting of bank accounts has occurred on the statement of financial position. All cash resources are placed with reputable banks.				
10. SHARE CAPITAL				
Authorised				
100,000 (2018: 100,000) Ordinary shares of R1-00 each	100,000	100,000	100,000	100,000
Issued				
67,137 (2018: 59,541) Ordinary shares of R1-00 each	67,137	59,541	67,137	59,541
11. SHAREHOLDERS LOANS				
These loans are unsecured, subject to returns at rates determined by the directors, and are repayable at the discretion of the directors.	71,665,215	63,724,763	71,665,215	61,535,539
12. DEFERRED TAXATION				
Deferred taxation arose on the restatement of investments and investment property to their fair values.				
Opening balance	3,517,575	3,589,353	18,973,592	17,557,405
Current movement	808,192	(71,778)	1,043,474	1,416,187
Closing balance	4,325,767	3,517,575	20,017,066	18,973,592
13. TAXATION				
South African taxations consists of:				
Deferred Tax	(808,192)	71,778	(1,043,474)	(1,416,187)
Withholding Tax Paid	(14,713)	(8,450)	(160,571)	(136,888)
	(822,905)	63,328	(1,204,045)	(1,553,075)
14. DIRECTORS INTEREST IN CONTRACTS				
Advertisements have been placed by the company with Top Share Management Services CC. Mr. Haroun Pochee is a member of both Top Share Management Services CC and Roshgold Investment Holdings Limited.				
Total value of adverts placed during the year	25,300	15,881	66,585	15,881

Notes to the Financial Statements (continued)
30 JUNE 2019
15. RELATED PARTY TRANSACTIONS

Transaction and balances between the group and its subsidiaries which are related parties of the group have been eliminated on consolidation.

DIRECTLY HELD SUBSIDIARIES	LOAN ACCOUNTS		RETURNS DUE		RETURNS RECEIVED	
	2019 R	2018 R	2019 R	2018 R	2019 R	2018 R
AL-IKWAAN INVESTMENTS (PTY) LTD	744,708	730,823	26,250	18,750	112,135	123,000
EDME INVESTMENTS (PTY) LTD	7,721,649	7,542,673	228,000	171,000	1,304,726	1,240,662
ROSHGOLD PROPERTIES (PTY) LTD	1,541,280	1,451,712	86,400	153,600	313,568	326,976
ROSHGOLD VENTURES (PTY) LTD	915,303	884,498	-	-	-	-
ROSHMEADOW PROPERTIES LTD	5,223,022	5,065,822	508,280	589,500	1,158,040	1,199,436
ROSHMERRIMAN PROPERTIES (PTY) LTD	560,494	576,217	80,000	94,400	150,801	221,319
ROSHMETALS & MINERALS LTD	1,407,259	919,618	216,100	129,738	124,067	129,738
ROSHPRO PROPERTIES (PTY) LTD	694,824	694,824	45,080	42,788	265,887	281,562
ROSHSUN INVESTMENTS LTD	2,920,000	2,920,000	161,923	128,191	293,762	328,943
SHONALANSA TRADING (PTY) LTD	10,254,188	10,254,188	93,878	193,049	1,066,243	1,055,295
ROSLLEN PROPERTIES (PTY) LTD	4,653,000	4,653,000	-	-	-	-
ROSH GLOBAL SERVICES (PTY) LTD	15,049,000	15,049,000	-	-	-	-

16. FINANCIAL RISK MANAGEMENT
16.1 CAPITAL RISK MANAGEMENT

The group manages its capital to ensure that entities in the group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The group's overall strategy remains unchanged from 2018. There is currently no long-term debt on the statement of financial position of the group.

16.2 INTEREST RATE RISK MANAGEMENT

Based on the R152 million cash balance, the groups investments are exposed to considerable interest rate risk. A 1% change in interest rates could have the following impact:

Cash and cash equivalents	R152,021,645	
	<u>Interest income</u>	<u>Impact on group revenue</u>
Current return on cash based Shariah investments:	R10,071,236	
1% increase in interest rate:	R11,584,049	5% increase in revenue
1% decrease in interest rate:	R8,543,616	5% decrease in revenue

Notes to the Financial Statements (continued)

30 JUNE 2019

16.3 CREDIT RISK MANAGEMENT

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the group. The group has adopted a policy of dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Trade receivables consist of a large number of clients, spread across diverse industries. The group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

16.4 LIQUIDITY RISK

Liquidity risk is mainly attributable to the trade and other payables, and current cash and cash equivalents are sufficient to ensure payment of these balances.

Detailed Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2019	COMPANY		GROUP	
	2019 R	2018 R	2019 R	2018 R
REVENUE	10,221,570	9,728,939	32,934,996	29,054,347
Rental income	-	-	21,061,011	19,719,627
Investment income				
- Subsidiaries	4,789,229	4,825,846	-	-
- Profit share revenue	5,167,722	4,584,731	10,802,236	8,435,238
- Dividends	264,619	318,362	1,071,749	899,482
OTHER INCOME	-	-	4,924,018	3,375,908
- Fair value adjustments	-	-	4,924,018	3,366,662
- Insurance claim	-	-	-	9,246
TOTAL INCOME	10,221,570	9,728,939	37,859,014	32,430,255
EXPENDITURE	10,913,558	9,756,008	32,476,831	28,700,189
Accounting and management fees	543,812	490,909	1,254,876	1,102,328
Advertising	-	-	25,985	15,881
Auditors remuneration	30,012	28,620	208,016	183,105
Bad debts	-	-	606,904	164,893
Bank charges	32,318	32,459	80,383	63,479
Collection commission	-	-	987,098	1,267,769
Computer expenses	8,531	8,932	12,814	23,762
Depreciation	36,513	6,249	41,163	7,850
Fair value adjustments	988,500	320,436	265,654	320,436
Insurances	-	-	269,874	233,539
Levies and legal fees	-	-	54,833	-
Meeting expenses	78,392	72,665	249,212	203,932
Municipal charges	-	-	5,226,742	4,084,487
Repairs and maintenance	-	-	573,793	391,821
Security	-	-	84,000	87,968
Shareholders returns	9,125,000	8,740,000	22,401,094	20,436,172
Stationery and printing	61,446	57,446	124,528	93,162
Telecommunications	9,034	8,292	9,862	19,605
Net income (loss) before taxation	(691,988)	(27,069)	5,382,183	3,730,066
Taxation	(822,905)	63,328	(1,204,045)	(1,553,075)
Net income (loss) after taxation	(1,514,893)	36,259	4,178,138	2,176,991
Non-controlling interest	-	-	(2,362,876)	(1,225,490)
Net income (loss) before dividends	(1,514,893)	36,259	1,815,262	951,501
Dividends	(280,000)	(285,000)	(478,730)	(403,915)
Net profit (loss) for the year attributable to equity holders	(1,794,893)	(248,741)	1,336,532	547,586

The supplementary information presented does not form part of the annual financial statements and is unaudited.

Minutes of the 34th Annual General Meeting

Shareholders of Roshgold Investment Holdings Limited
Held at Palm Continental Hotel, Johannesburg,
On 3 November 2018

Present

Shareholders and guests as per attendance register.

With the necessary quorum being present, the Chairperson declared the meeting duly constituted.

Apologies

No apologies.

Minutes of the 33rd Annual General Meeting

Minutes of the 33rd annual general meeting were tabled by Baiiyaa Saley.

Adoption of the Minutes

As no matters arose from the tabling of the past minutes, Mr. Ebrahim Sujee proposed for the adoption of the minutes and Mr. Mohammed Dockrat seconded the motion. The minutes were adopted.

Chairman's Statement and Review of Operations

The Chairman, Mr. Ebrahim Sujee presented the 34th Chairman's Statement.

He commented on the tough economic, social and political climate and the upheavals affecting the South African economy and, in particular, Roshgold and that the Board had adopted a defensive approach. Roshgold's strong capital base and its good financial standing will allow the group to withstand any adverse challenges. The balanced portfolio, low costs and no borrowing have ensured that the group is positioned to meet the challenges of a declining economy.

He confirmed a key challenge for the group was the need to find and develop a new generation of leadership that would continue on the culture of Roshgold.

He advised that the board would be reviewing its investment policy and decide if property investment should still form the core of the group's investments.

Mr. Sujee concluded that the opportunity came with many hurdles and the best way to overcome them would be a unified approach.

Tabling and Adoption of Annual Financial Statements:

Sufyaan Mohamed tabled the Annual Financial Statement and Review of Operations for the financial year ended 30 June 2018. The highlights for the 2018 financial year included;

- The group's total income for the year was R32.4 million against R44.6 million in 2017.
- The group's total expenditure increased from R6.9 million to R8.3 million.
- Property accounts for 69% of the total investment portfolio.
- Group returns paid to shareholders increased by 11% from R18.1 million to R20.4 million.
- A property in Postmasburg was acquired at a cost of R5.8 million and has generated a 9% return.
- Roshgold's capital base increased by 5,568 units.

Minutes of the 34th Annual General Meeting (continued)

Resolutions:

The resolutions as tabled were passed:

- Adoption of audited annual financial statements for the year ended 30 June 2018 – Mr. Haroun Pochee proposed for the adoption and Mr. Ahmed Lambat seconded the motion.
- Appointment of H Mayet & Co as external auditors for the year ending 30 June 2019 – Mr. Haroun Pochee proposed for the adoption and Mr. Sayed Dockrat seconded the motion.
- Re-election of existing directors in terms of the memorandum of incorporation and who offer themselves for re-election as per sec 68(2) of the Companies Act – Mr. Mohammed Kaka proposed for the adoption and Mr. Riaz Saloojee seconded the motion.
- Approval of general authority to place unissued shares under the control of the board of directors – Mr. Ebrahim Sujee proposed for the adoption and Mr. Firoz Saloojee seconded the motion.
- Appointment of an audit committee, Mr. Faheem Bahadur and Mr. Yunus Pochee – Proposed for the adoption by Mr. Leonard Rolfes and Mr. Ahmed Lambat seconded the motion.
- Special resolution of any financial assistance by the company to any related or inter-related company in terms of the Companies Act which the board determines to be approved – Proposed for the adoption by Mr. Mohammed Bhyat and Mr. Riaz Saloojee seconded the motion.

Guest Speakers

Zafeer Nagdee delivered an insightful address on business malfunctioning and the differences between business education and practical business. He believes, in addition to technology, one should focus on human qualities. His advice to young business people was to focus on building business through traditional methods and empowerment. “We grow, learn, empower, develop and soon challenge”.

Iman Maleka spoke from the heart expressing how thankful she is for everything in life that God had granted her. She is growing her community by creating employment. She referred to a poem by Helen Steiner Rice “Doing something for others is doing something for yourself”, leaving a legacy using talent to serve humanity. She believes companionship is important in all aspects of life. Her advice to aspiring entrepreneurs was:

1. Always believe in something bigger than yourself.
2. Always have hope.
3. Always persevere.

Matein Khalid gave meaningful insight about global economics. He elaborated on global monetary policy and risk. He concluded with a beautiful quote directed at the YBAA audience, they are “Not only a rainbow nation, but a nation of heroes”.

Hall of Fame:

NAME	CATEGORY
Dr. Essop Jassat	Lifetime sacrifice for humanity
Julie Alli	Media personality
Dr. Aqueel Thokan	Lifelong service to the people of SA
Shabir Chohan	Contribution to Islamic banking and community building
Hoosein Sheik Kassim	Lifelong service to the people of SA
Rabia Tilly	Leadership, community building and motivation in the development of woman

Minutes of the 34th Annual General Meeting – continued

Young Business Achiever Awards:

Participant	Company Name	Prize
Yusuf and Sumaiya Omar	Hashtag Our Stories	Winners
Muhammad Taher Khan	Zero Point Energy (Pty) Ltd	1 st Runner Up
Uzair Essack	Cape Crops	2 nd Runner Up
Taahir Seedat	Black Cube Investments (Pty) Ltd	Special mention
Mariam Manak	ITrain	Special mention

Competition draw:

Gift	Sponsored by	Type of prize	Winners
Book	Roshgold	Early Bird	Mahomed Essop Sallie
Book	Roshgold	Early Bird	Hassim Lall
Book	Roshgold	Early Bird	Isha Essop Patel
Book	Roshgold	Early Bird	Ahmed Bhabha
Canvas	Roshgold	Lucky draw	Muhammed Sallie
Smeg Stainless Steel Juicer	Diamond Corner	Lucky draw	Ismail Gaffar
40 inch Aiwa Led TV	Diamond Corner	Lucky draw	Aysha Nanabhai

CLOSURE

There being no further business, the meeting was closed.

