

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

**ANNUAL REPORT**  
**30 June 2020**

*Contents*

Corporate Profile and Mission Statement	1
Board of Directors	1
Management	1
Administrators	1
Three Year Review	1
Analysis of Shareholders	2
Investor Demographics	2
Chairman's Statement	3-5
Directors' Responsibility Statement and Secretary's Declaration	6
Report of the Independent Auditors	7-8
Directors' Report	9-10
Review of Operations	11-12
Statement of Financial Position	13
Statement of Comprehensive Income	14
Statement of Equity	15
Statement of Cash Flow	16
Significant Accounting Policies	17-19
Notes to the Financial Statements	20-26
Detailed Statement of Comprehensive Income	27
Minutes of the 35th AGM – 2019	28-29

# ROSHGOLD INVESTMENT HOLDINGS LIMITED

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## **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](mailto:info@roshgold.co.za)  
[www.roshgold.co.za](http://www.roshgold.co.za)

Auditors: Audit Associates  
22 Bonanza Street  
Selby, 2092

Bankers: Nedbank

Company secretary: Haroun Pochee

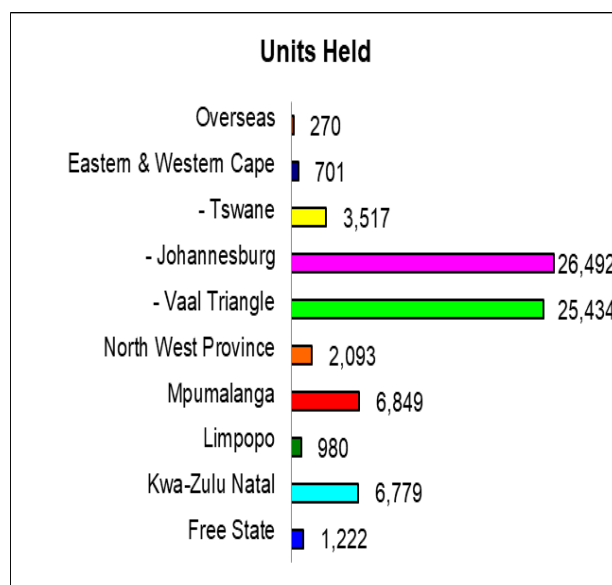
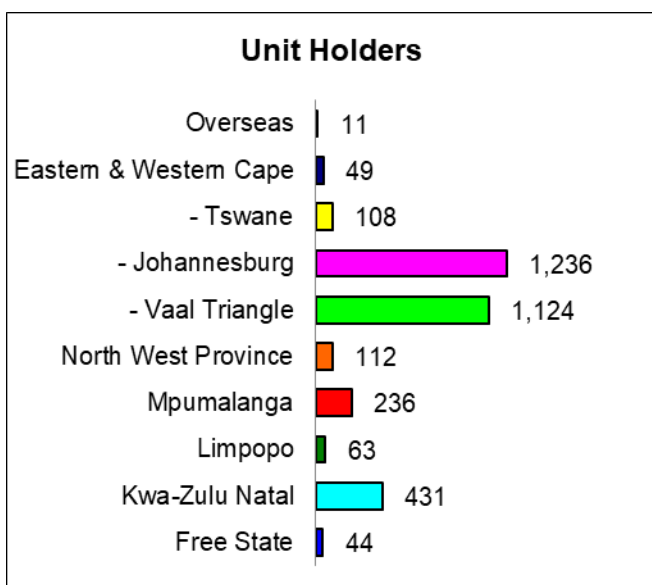
<i>Three Year Review – Group</i>			
	2020	2019	2018
Value of one Roshgold unit:	R2,250	R2,250	R2,150
Shareholders returns:	R22,315,722	R22,401,094	R20,436,172
Number of units in issue:	74,337	67,137	59,541
Fair value of assets under control:	R393 Million	R365 Million	R325 Million

***Analysis of Shareholders***

Members Holdings	Number of Unit Holders		Number of Units Held		% of Total Units	
	2020	2019	2020	2019	2020	2019
One unit	583	596	583	596	1	1
Two units	384	402	768	804	1	1
Three to five units	689	664	2,832	2,658	4	4
Six to fourteen units	809	778	7,286	6,989	10	10
Fifteen to twenty units	242	221	4,149	3,775	6	6
Twenty and more units	707	660	58,719	52,315	78	78
<b>Total</b>	<b>3,414</b>	<b>3,321</b>	<b>74,337</b>	<b>67,137</b>	<b>100</b>	<b>100</b>

***Investor Demographics***

Region	Number of Unit Holders		Number of Units Held		% of Total Units	
	2020	2019	2020	2019	2020	2019
Free State	44	43	1,222	1,632	1	1
Kwa-Zulu Natal	431	427	6,779	6,677	13	13
Limpopo	63	60	980	878	2	2
Mpumalanga	236	220	6,849	6,309	7	7
Northern West Province	112	108	2,093	2,003	3	3
Gauteng						
- Vaal Triangle	1,124	1,188	25,434	23,874	34	36
- Johannesburg	1,236	1,114	26,492	21,506	36	34
- Tswane	108	102	3,517	3,412	3	3
Eastern & Western Cape	49	48	701	590	1	1
Overseas	11	11	270	256	-	-
<b>Total</b>	<b>3,414</b>	<b>3,321</b>	<b>74,337</b>	<b>67,137</b>	<b>100</b>	<b>100</b>



## *Chairman's Statement*

*“The only way in which one can make enduring man's inhumanity to man, and man's destruction of his own environment, is to exemplify in your own lives man's humanity to man and man's reverence for the place in which he lives.” Alan Paton*

The above is a telling synopsis of how our lives have been impacted and reset by the Covid-19 pandemic. The world as we knew it is no more and a “new normal” is driving and challenging our endurance.

Our country entered the Covid-19 pandemic with little understanding of its impending devastation. Whilst the South African economy was fragile, economic growth stagnant, we were facing a downturn in the economy with serious consequences for employment. Credit was crippling our fiscus and consuming our populous. South Africa was on the radar of ratings agencies and downgrades beckoned.

We have to commend the Government for being proactive with the implementation of its strategies that eased the financial impact. Growth creation strategies, the reduction in interest rates, payment facilitation from banks and credit providers and provision of government aid programmes did provide some relief to the country and business in particular.

The pandemic has wreaked havoc economically. Due to this many entities are grasping with conditions synonymous with an economic depression, equity and financial market volatility, deteriorating credit, changing in consumer spending habits and restructuring human resource numbers. It is a case of business survival. Your Board has had to manage these challenges into its stewardship of the group and analyse the possible impact of the long-term effects this pandemic will have on Roshgold's investment model.

The Roshgold group has been partially insulated from Covid's impact. The group's mantra of not leveraging or gearing any investment has proved to be a blessing. Furthermore, Roshgold's prudent management of its cash reserves helped to cover the group during the difficult period and also meet shareholder needs. As many suffered strains during the lockdown, shareholders tapped into their investments to manage their finances. The group is in a strong position to be able to pay shareholders returns.

The property market experienced major upheaval as stores defaulted on rental obligations or needed accommodation. Many businesses were forced into closure, especially those in food, hospitality and event management sectors. This affected all landlords

including the Roshgold group who hold investments in property.

The group managed to offer tenants relief and were able to retain its tenant base and minimise vacancies in its portfolio. We passed credit when there was no trading during April 2020 and facilitated tenants' needs.

I must amplify the importance of the group's adherence to maintaining a prudent investment methodology.

Our proposed investment into a business which owned eleven retail franchised outlets was close to fruition, when Covid reared its head. One of the franchisors did not approve of a corporate fund investing in its operations and the deal was stalled. The restaurant industry experienced a severe strain in its operations and to our advantage this deal was cancelled through mutual agreement between both parties.

Roshgold continues to investigate opportunities in the “new normal”. We continue to be in an exceptionally good position to make a suitable investment that fits into our investment strategy. The economy shows signs of resolve and it is during this period that the group will continue to seek and assess opportunities that will bolster our portfolio and enhance shareholder returns whilst always protecting the capital value of shareholders. In this regard we continually evaluate investment proposals tabled to your Board of Directors.

Roshgold produced results that are favourable considering the economy and the pandemic. Roshgold will be able to pay shareholders cash returns that are relative and better than current market trends.

Our investment in the prospective Sandton development will now move to the next phase. Our application for increased utilisation zoning has been refused. The council has approved thirty-two units and have indicated no further relief in this regard. We will now begin planning, design conceptualisation and meeting agents for the marketing of the development. Thereafter, the development should commence. The development is very well situated, and your Board will update feasibility studies prior to commencement. It is early to project returns. Market conditions and work patterns have changed with Covid-19 and market conditions will need to be closely looked at prior to beginning the development.

Time passes and change is inevitable. Some of our property investment require re-engineering and maybe

*Chairman's Statement (continued)*

also disposing of some properties where growth potential for the longer term is limited. The Board has approved a resolution to review these properties and determine the best solution for the group.

*"Nobody can really guarantee the future. The best we can do is size up the chances, calculate the risks involved, estimate our ability to deal with them and then make our plans with confidence." Henry Ford II*

How true is the above in planning for the future of Roshgold? The future is inevitable, how we develop, re-position the group's strategy and exploit opportunities with prudence and integrity will determine our continued existence and protection of shareholders' funds.

Our duty as a Board is not only to protect our shareholders' investment but also to innovate to be able to pay a higher than market return to shareholders.

Roshgold strength, integrity and strong cash flow places us at the top of the ladder to secure good investments.

*"Quality is never an accident; it is always the result of high intention, sincere effort, intelligent direction, and skilful execution; it represents the wise choice of many alternatives, the cumulative experience of many masters of craftsmanship. Quality also marks the search for an ideal after necessity has been satisfied and mere usefulness achieved." Will A. Foster*

The quality of the Roshgold brand has to be further enhanced through collective and energetic interaction of the management team.

The group has purchased a valuable property with an office block to house its operations. Based in Vereeniging in a secure environment with adequate space and also has the opportunity to earn rental income. The purchase is a good addition. The premises are well suited to the group's needs and will offer shareholders a more comprehensive and valuable service. The team are excited about the new headquarters.

*"General Electric was the largest company in the world in 2004, worth a third of a trillion dollars. It*

*had either been first or second each year for the previous decade, capitalism's shining example of corporate aristocracy. Then everything fell to pieces. The 2008 financial crisis sent GE's financing division—which supplied more than half the company's profits—into chaos. It was eventually sold for scrap. Subsequent bets in oil and energy were disasters, resulting in billions in write-offs. GE stock fell from \$40 in 2007 to \$7 by 2018. Blame placed on CEO Jeff Immelt—who ran the company since 2001—was immediate and harsh. He was criticized for his leadership, his acquisitions, cutting the dividend, laying off workers and—of course—the plunging stock price. Rightly so: those rewarded with dynastic wealth when times are good hold the burden of responsibility when the tide goes out. He stepped down in 2017. But Immelt said something insightful on his way out. Responding to critics who said his actions were wrong and what he should have done was obvious, Immelt told his successor, "Every job looks easy when you're not the one doing it." Morgan Housel. *The Psychology of Money* (p. 126).*

Ours is not a job. It is trust that has been afforded to the Board and our responsibility must be always to achieve the best for our shareholders. Continued strengthening of the Board and inclusion of a younger and more energetic leadership is encouraged as always. To ensure even better stewardship in this increasingly complex world, we continue to strengthen the capabilities of the Board.

The Board continues to seek different investment opportunities that will be in alignment with the new normal.

*"Whether we are called upon to be involved in leading government or business, guiding young minds, leading a family, standing for what is right, or organizing a dinner, a carpool, or a household, everyone has a leadership role to play." MICHAEL MCKINNEY*

The staff and management of Roshgold, you have displayed leadership in every regard and I thank you for the support, encouragement and unwavering commitment to Roshgold.

*"The wise man must remember that while he is a descendant of the past, he is a parent of the future." Herbert Spencer*

***Chairman's Statement (continued)***

My fellow wise men on the Board who endure the responsibility of the group and offer their time and counsel unselfishly, you are the parent of the future of this group. Your input and support are unwavering, candid, honest and always appreciated.

Never can one say thank you enough to our shareholders for their support and trust.

Your commitment is the energy that generates the life blood for this esteemed organisation Roshgold

Thank You.

**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 16 November 2020 and were signed on its behalf by:



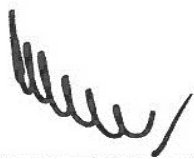
**H. Pochee**



**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  
16 November 2020

***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 2020, 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 Roshgold Investment Holdings Limited as at 30 June 2020, 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 corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). 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.



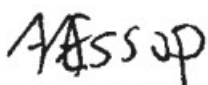
***Independent Auditor's Report (continued)***

**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.



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**AUDIT ASSOCIATES**

**Faizal Essop**

***Chartered Accountants (S.A.)***

***Registered Auditors***

Selby

16 November 2020

## **ROSHGOLD INVESTMENT HOLDINGS LIMITED**

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### ***Directors' Report***

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

#### **NATURE OF THE BUSINESS AND FINANCIAL RESULTS**

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

#### **DIVIDENDS AND RETURNS**

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A dividend of R523,315 (2019: R478,730) was declared for the group and the company declared a dividend of R245,000 (2019: R280,000). Shareholders returns totalling R8,905,000 (2019: R9,125,000) were provided for the year and will be paid by the end of December 2020. Shareholders returns for the group totalled R22,315,722 (2019: R22,401,094).

#### **SHARE CAPITAL**

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7,200 (2019: 7,596) ordinary shares of R1-00 each were issued during the year under review to increase and broaden the capital base of the company.

#### **INVESTMENTS**

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The company acquired unlisted investments of R131,172 (2019: R78,763) and listed investments of R65,253 (2019: R49,334) 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**

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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.

#### **EVENTS AFTER REPORTING DATE**

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All events subsequent to the date of the annual financial statements and for which the applicable reporting framework require adjustment or disclosure have been adjusted or disclosed.

The financial impact of the COVID-19 pandemic is likely to impact all business entities and financial markets globally either directly or indirectly, the extent of which is currently indeterminate. The financial impact cannot be predicted at report date but the directors remain confident that the company will not be severely affected in the near future.

The directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the company.

**ROSHGOLD INVESTMENT HOLDINGS LIMITED**

***Directors' Report (continued)***

SUBSIDIARY COMPANIES	INTEREST		LOAN BALANCE		FAIR VALUE	
	2020	2019	2020	2019	2020	2019
DIRECTLY HELD SUBSIDIARIES	%	%	R	R	R	R
AL-IKWAAN INVESTMENTS (PTY) LTD (Reg. No : 1999/022178/07)	6	6	771,955	744,708	1,292,464	1,117,148
EDME INVESTMENTS (PTY) LTD (Reg. No : 1969/010704/07)	24	24	8,239,999	7,721,649	11,217,669	10,038,874
ROSHGOLD PROPERTIES (PTY) LTD (Reg. No : 1989/000002/07)	57	56	1,667,879	1,541,280	2,470,801	2,534,400
ROSHGOLD VENTURES (PTY) LTD (Reg. No : 1991/000479/07)	58	58	920,303	915,303	1,197,715	1,063,044
ROSHMEADOW PROPERTIES LTD (Reg. No : 1996/000402/06)	60	59	5,449,002	5,223,022	6,754,366	9,335,374
ROSHMERRIMAN PROPERTIES (PTY) LTD (Reg. No : 1991/000059/07)	20	20	560,494	560,494	1,493,517	1,567,691
ROSHMETALS & MINERALS LTD (Reg. No : 1989/000054/06)	47	47	1,695,450	1,407,259	10,950,183	5,381,419
ROSHPRO PROPERTIES (PTY) LTD (Reg. No : 1991/000363/07)	35	35	694,824	694,824	2,053,557	1,798,094
ROSHSUN INVESTMENTS LTD (Reg. No : 2000/028188/06)	4	4	2,920,000	2,920,000	3,587,191	4,088,000
ROSLIN PROPERTIES (PTY) LTD (Reg. No : 2013/153653/07)	26	26	4,653,000	4,653,000	5,712,784	6,005,942
SHONALANSA TRADING (PTY) LTD (Reg. No : 2007/022145/07)	31	31	10,254,219	10,254,188	7,356,269	10,563,737
ROSH GLOBAL SERVICES (PTY) LTD (Reg. No : 2014/243583/07)	57	57	15,049,000	15,049,000	15,049,000	15,049,000
<b>INDIRECTLY HELD SUBSIDIARIES</b>						
MARHABAN (PTY) LTD (Reg. No: 1989/001214/07)	72	72	9,681,972	9,123,737	13,062,791	19,155,250
<b>TOTAL</b>			<b>62,558,097</b>	<b>60,808,464</b>	<b>82,198,307</b>	<b>87,697,973</b>

***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 2020.

**1. REVIEW OF FINANCIAL RESULTS**

Total group income for the year was R34.7 million against R32.9 million in 2019. Revenue increased by R1,8 million due to a R1,5 million increase in dividend income.

Total expenditure for the group before apportioning shareholders returns and excluding fair value adjustments increased from R9,8 million in 2019 to R10,6 million in 2020. The increases were primarily driven by increases in municipal charges, collection commission and a loss on sale of investments. During the year, Assore Limited bought back its shares through a "Scheme Arrangement" with the intention of delisting. As a consequence of this transaction Roshmetals as a shareholder received a substantial dividend pay-out but conceded to a loss on sale. An independent consultant was also engaged to offer support to the rental collection agents tasked with overseeing critical functions within the collection process. This led to an increase in collection commission. Municipal charges have increased as a result of annual increases as well as billing issues with local municipalities. Legal fees included costs incurred to retrieve outstanding rentals.

Coming through a technical recession in 2019, the local property market has seen a rise in tenant vacancies and a downward trend in rentals and muted capital growth. Despite this trend, over the last few years the group has done well to generate positive yields and maintain a healthy balance sheet. With the COVID-19 outbreak poised as a once in a lifetime global humanitarian crisis, all sectors of the economy have been tested and impacted beyond all contingencies.

With the national lockdown that started on the 23 March, both landlords and tenants have been adversely impacted, with non-essential service provider tenants being completely shut down during this period resulting in rental reductions and rebates. Landlords found themselves in uncharted territory as reports came in that national tenants were united in their stance in reducing and in some instances withholding rentals over the period of the lockdown. In an effort to mitigate the negative impact of the consequent market disruption, the board worked tirelessly with letting agents and consultants to find a balance to the ensuing legal and economic implications brought about by this crisis. This has not been easy, with economic performance being the lowest on record and a sharp rise in unemployment, the group has faced the challenge of lower rental income due to rental reductions and a slight rise in vacancies.

With Edcon filing for business rescue, the group has had to accept the loss of Jet in both Harrismith and Queenstown but our letting agents have been successful in finding replacement tenants albeit at a lower rental. There have been two vacancies in the Secunda property with one replacement being AIM. With uncertainty about a second wave and additional lockdown restrictions, new tenants are reluctant to sign. The board has mandated agents to actively find replacement tenants in the meantime.

With major listed property companies reporting record price lows and the overall SA listed property index suffering a 54% drop due to lower rentals, some of our property values have also come under pressure. Overall, our property and investment portfolio posted a net gain of R4.3 million. The fair values have been independently valued by registered valuers.

However, it must be noted, post lockdown, businesses and overall economic activity have started to show signs of recovery and rental collections have started to stabilise.

Generally, the results are promising when compared to market peers with only a minor decrease in total returns on a year on year basis.

For the year the group has managed to generate returns totalling R22.3 million. Roshgold will pay returns of R121.29 (2019: R137.35) per unit whilst Roshsun will pay R106.41 per unit (2019: R112.31).

**2. MAINTENANCE OF THE CAPITAL BASE**

Roshgold's capital base increased by a net 7,200 units as the number of units in issue increased to 74,337. An analysis of the capital base re-affirms shareholder loyalty as in excess of 79% of shareholders hold over 20 or more units.

Investor growth in property subsidiary Roshsun, is consistent. Roshsun's capital base increased by 9% with the share capital closing the year on 76,325 units. The cost per unit remains consistent at R1,400.

**3. THE INVESTMENT PORTFOLIO**

At year end, property accounted for 66% of the total investment portfolio. The investment portfolio is diverse across asset classes and underlying risk profiles. Notwithstanding the devastating economic impact of COVID-19, major group investments have largely avoided impairment as evidenced by the group's long term conservative approach to asset allocation.

***Review of Operations (continued)***

- The investment in Albaraka Bank through Timewest Investments improved with the share price increasing from R22.30 to R 22.60 per share. It must be noted that Albaraka Bank like other banks in the country were issued notice by its Regulators to withhold dividend pay-outs to shareholders for the 2020 year in response to the uncertainty surrounding the COVID-19 pandemic.
- The Ahmed Al-Kadi share price has remained consistent at R14 at year end. The facility was ranked in the top 20 hospitals in the country for the year 2020. No dividends have been paid out as yet but directors are hopeful that pay-outs will start shortly.
- In the 2019 financial report, the board reported that the rezoning of the Sandhurst property was successful. This allowed the development of up to 33 units. During the 2020 year, the town planning team lead by A4 made further investigations into the possibility of an additional 19 units. The team confirmed that the chances of success would be limited considering local property conditions. There is still high demand and great value to be unlocked by this property.

Also in 2019, the board was in talks with a food franchise group for a majority stake in its outlets. The negotiations reached an advanced stage in the current year with legal representatives performing the necessary due diligence and structuring the deal within the franchise framework. The deal matured within the time of the lockdown and the board took the tough decision to discontinue this investment. The board acknowledges that the broader impact of the lockdown and the global economic crisis will be felt over the coming years and the group will have to be more cautious with major investments.

**4. METALS AND MINERALS**

Whilst local equities have been adversely affected by the pandemic, the group’s listed portfolio performed strongly, relying heavily on record values in Gold and other resources. Roshmetals’ shares started the year at R1,440 per unit and ended on R1, 620 per unit.

Dividend income earned for the year totalled R2,500,000 (2019: R730 000) whilst benefit income from surplus cash totalled R180,000 (2019: R213,000).

A tax-free dividend of R500,000 will be distributed to shareholders in respect of the 2020 financial year.

**5. ROSHGOLD MARKETING**

Roshgold’s marketing has taken a great focus on empowering young entrepreneurs as well as women-owned businesses as two primary beneficiaries through the social responsibility efforts of the group this year. The management team has also improvised and supported our communities in coping with the challenges of COVID-19 as detailed below:

- Roshgold hosted and coordinated the Facebook SheMeansBusiness workshop with Siyafunda. Attendees were encouraged to upskill themselves with their digital devices and were taught how to use social media marketing through a hands on practical presentation.
- A milestone reached this year for the YBAA was the first ever Gala Awards independent of the Roshgold AGM.
- Despite the strict COVID-19 countrywide lockdown imposed in March 2020, Roshgold facilitated a few online “Master-Mind Business Sessions” via Zoom to assist the 2019 YBAA participants during this time.
- The Roshgold fourth annual YBAA is planned for 2021. We are thankful for the support of all our sponsors and volunteers who assist us in our mission of recognising, rewarding and promoting young business leaders in South Africa.

**APPROVAL OF ANNUAL FINANCIAL STATEMENTS**

**The annual financial statements and group annual financial statements were approved by the Board of Directors on the 16 November 2020.**



**H. Pochee**



**L.M. Rolfes**

**ROSHGOLD INVESTMENT HOLDINGS LIMITED**
**Statement of Financial Position**

<b>30 JUNE 2020</b>		<b>COMPANY</b>		<b>GROUP</b>	
	<b>Notes</b>	<b>2020 R</b>	<b>2019 R</b>	<b>2020 R</b>	<b>2019 R</b>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
		91,479,256	88,873,457	210,914,732	207,334,682
Investment property	3	-	-	139,022,488	138,979,693
Investment in subsidiaries	4	69,135,517	68,537,924	-	-
Plant and equipment	5	74,591	59,584	230,581	98,639
Investments	6	22,266,327	20,275,679	70,468,446	66,624,257
Intangible assets	7	2,821	-	1,193,217	1,632,093
<b>CURRENT ASSETS</b>					
		86,132,292	72,297,618	182,856,534	158,141,370
Trade and other receivables	8	4,367,423	2,687,848	8,958,000	6,119,725
Cash and cash equivalents	9	81,764,869	69,609,770	173,898,534	152,021,645
<b>TOTAL ASSETS</b>		<b>177,611,548</b>	<b>161,171,075</b>	<b>393,771,266</b>	<b>365,476,052</b>
<b>EQUITY AND LIABILITIES</b>					
<b>CAPITAL AND RESERVES</b>					
		78,164,879	69,994,757	256,945,428	241,395,714
Issued capital	10	74,337	67,137	74,337	67,137
Share premium		62,692,515	55,431,015	62,692,515	55,431,015
Retained income		15,339,463	14,438,041	22,596,267	21,745,576
Non-distributable reserves		58,564	58,564	95,376	95,376
Non-controlling interest		-	-	171,486,933	164,056,610
<b>NON-CURRENT LIABILITIES</b>					
		83,646,679	75,990,982	101,602,433	91,682,281
Shareholders loans	11	79,061,799	71,665,215	79,061,799	71,665,215
Deferred taxation	12	4,584,880	4,325,767	22,540,634	20,017,066
<b>CURRENT LIABILITIES</b>					
		15,799,990	15,185,336	35,223,405	32,398,057
Trade and other payables		15,799,990	15,185,336	35,223,405	32,398,057
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>177,611,548</b>	<b>161,171,075</b>	<b>393,771,266</b>	<b>365,476,052</b>

**ROSHGOLD INVESTMENT HOLDINGS LIMITED**

***Statement of Comprehensive Income***

<b>FOR THE YEAR ENDED 30 JUNE 2020</b>		<b>COMPANY</b>		<b>GROUP</b>	
Notes	<u>2020</u> R	<u>2019</u> R	<u>2020</u> R	<u>2019</u> R	
Revenue	9,835,240	10,221,570	34,711,524	32,934,996	
Other income	-	-	73,435	-	
Operating expenses	(668,694)	(800,058)	(10,681,398)	(9,810,083)	
Operating profit	9,166,546	9,421,512	24,103,561	23,124,913	
Fair value adjustments	1,156,758	(988,500)	4,316,829	4,658,364	
Finance costs	(8,905,000)	(9,125,000)	(22,315,722)	(22,401,094)	
Profit (loss) before taxation	1,418,304	(691,988)	6,104,668	5,382,183	
Taxation	13 (271,882)	(822,905)	(3,051,322)	(1,204,045)	
Profit (loss) for the year	1,146,422	(1,514,893)	3,053,346	4,178,138	
Profit attributable to:					
Equity Holders of the Company	-	-	1,374,006	1,815,262	
Non-Controlling Interest	-	-	1,679,340	2,362,876	
	-	-	3,053,346	4,178,138	

**ROSHGOLD INVESTMENT HOLDINGS LIMITED**
***Statement of Equity***
**30 JUNE 2020**

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	R
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
7,200	-	-	-	7,200	Shares issued	7,200	-	-	-	-	7,200
-	-	7,261,500	-	7,261,500	Share premium	-	-	7,261,500	-	-	7,261,500
-	-	-	-	-	Transactions with non-controlling interest	-	-	-	-	5,750,983	5,750,983
-	(245,000)	-	-	(245,000)	Dividends	-	(523,315)	-	-	-	(523,315)
-	1,146,422	-	-	1,146,422	Net income for the year	-	1,374,006	-	-	1,679,340	3,053,346
74,337	15,339,463	62,692,515	58,564	78,164,879	Balance at 30 June 2020	74,337	22,596,267	62,692,515	95,376	171,486,933	256,945,428



***Statement of Cash Flow***

FOR THE YEAR ENDED 30 JUNE 2020	COMPANY		GROUP	
	<u>2020</u> R	<u>2019</u> R	<u>2020</u> R	<u>2019</u> R
<b>Cash generated from trading operations</b>	10,310,535	8,418,299	27,083,864	22,658,620
Net profit before taxation and non-deductible expenses	9,131,936	7,393,286	22,731,840	27,275,821
Fair value adjustments	1,156,758	988,500	4,316,829	(4,658,364)
Depreciation	21,841	36,513	35,195	41,163
<b>Working capital changes</b>	(1,064,921)	2,458,986	(12,927)	4,564,928
Decrease (Increase) in trade and other receivables	(1,679,575)	852,965	(2,838,275)	(1,713,200)
Increase in trade and other payables	614,654	1,606,021	2,825,348	6,278,128
<b>Cash generated by operating activities</b>	9,245,614	10,877,285	27,070,937	27,223,548
<b>Cash generated (utilised) in investment activities</b>	(2,605,799)	132,843	(4,450,618)	2,276
Investment in subsidiaries	(597,593)	4,798	-	-
Property, plant and equipment	(14,737)	(5,515)	(174,738)	(42,027)
Investments	(1,990,648)	133,560	(3,844,189)	(142,965)
Intangible asset	(2,821)	-	438,876	-
Proceeds (Loss) from sale of investments	-	-	(870,567)	187,268
<b>Cash generated (utilised) by financing activities</b>	5,515,284	6,210,296	(743,430)	6,760,192
Shareholders loans raised	7,396,584	7,940,452	7,396,584	7,940,452
Proceeds from shares issued	7,200	7,596	7,200	7,596
Proceeds from share premium	7,261,500	7,667,248	7,261,500	7,667,248
Non-controlling interest	-	-	7,430,323	14,024,720
Dividends declared	(245,000)	(280,000)	(523,315)	(478,730)
Shareholders returns	(8,905,000)	(9,125,000)	(22,315,722)	(22,401,094)
<b>Net cash generated during the year</b>	12,155,099	17,220,424	21,876,889	33,986,016
Cash and cash equivalents at beginning of year	69,609,770	52,389,346	152,021,645	118,035,629
<b>Cash and cash equivalents at end of year</b>	81,764,869	69,609,770	173,898,534	152,021,645

## *Significant Accounting Policies*

30 JUNE 2020

### 1. GENERAL INFORMATION

Roshgold Investment Holdings Limited 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 2020 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 recognised 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 2020.

***Significant Accounting Policies (continued)***

**30 JUNE 2020**

**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 amortised 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 2020	GROUP	
	2020 R	2019 R
<b>3. INVESTMENT PROPERTY</b>		
<b><u>Roshpro Properties (Pty) Ltd</u></b>		
Portion 1 of Erf 213, 18 Hofmeyer Avenue, Vereeniging with buildings thereon, acquired in 1991.	1,000,000	1,050,000
At cost	551,632	551,632
Fair value adjustment	448,368	498,368
Remaining extent of Erf 361 Vereeniging, with buildings thereon, acquired in 1990.	5,799,999	5,300,000
At cost	1,229,079	1,229,079
Fair value adjustment	4,570,920	4,070,921
<b><u>Roshmerriman Properties (Pty) Ltd</u></b>		
Remaining extent of Erf 429 Vereeniging Township, with buildings thereon, acquired in 1990.	4,600,000	4,446,547
At cost	753,747	753,747
Fair value adjustment	3,846,253	3,692,800
<b><u>Marhaban (Pty) Ltd</u></b>		
Portion 3 of Erf 1548 Secunda Ext 1 Township with buildings thereon, acquired in 1996.	8,100,000	8,300,000
At cost	3,445,278	3,445,278
Fair value adjustment	4,654,722	4,854,722
Erf 5338, Sasolburg Ext 50. District Parys, Free State Province with buildings thereon, acquired in 1996.	9,200,000	7,700,000
At cost	2,376,369	2,376,369
Fair value adjustment	6,823,631	5,323,631
<b><u>Al-Ikwaan (Pty) Ltd</u></b>		
Portion 252 of Erf 602 Spartan Extension 2, Registration I.R., Province of Gauteng with buildings thereon, acquired in 2002.	19,500,000	16,300,000
At cost	8,374,675	8,341,575
Fair value adjustment	11,125,325	7,958,425
<b><u>Edme Investment (Pty) Ltd</u></b>		
Erf 11, 12, 14 and 16 situated in Witbank Township, Registration division I.S. Provinces of Mpumalanga, with buildings thereon.	21,200,000	21,000,000
At cost	10,181,374	10,177,607
Fair value adjustment	11,018,626	10,822,393
Erf 61 situated in Long Meadow Extension 2 Township, Registration division I.R. Province of Gauteng measuring 7,976 square metres.	25,100,001	20,800,000
At cost	17,721,372	17,721,372
Fair value adjustment	7,378,629	3,078,628
<b><u>Shonalansa Trading (Pty) Ltd</u></b>		
Portion 1 of Erf 1057, Harrismith with buildings thereon, acquired in 2011.	11,700,000	11,600,000
At cost	11,201,136	11,201,136
Fair value adjustment	498,864	398,864
Erf 8587 Queenstown with buildings thereon, acquired in 2016.	8,300,000	15,794,176
At cost	15,794,176	15,794,176
Fair value adjustment	(7,494,176)	-
Erf 295 Postmasburg situated in the Tsantsabane Municipality District Hay Northern Cape Province in extent 478 square metres with buildings thereon, acquired in 2017	3,700,000	5,866,482
At cost	5,866,482	5,866,482
Fair value adjustment	(2,166,482)	-
<b><u>Rosh Global Services (Pty) Ltd</u></b>		
Remaining extent of portion 4 of Erf 34, Sandhurst acquired in 2016	20,822,488	20,822,488
At cost		
Total cost	98,317,808	98,280,941
Total fair value adjustment	40,704,680	40,698,752
<b>Total Investment Property</b>	<b>139,022,488</b>	<b>138,979,693</b>

Fair value adjustments were applied in the current year. Valuations are conducted every 3 years by an independent valuator.

*Notes to the Financial Statements (continued)*

30 JUNE 2020	COMPANY		GROUP	
	2020 R	2019 R	2020 R	2019 R
<b>4. INVESTMENT IN SUBSIDIARIES</b>				
<b><u>Roshgold Properties (Pty) Ltd</u></b>	2,470,801	2,529,600		
Cost of investment	1,727,926	1,596,526		
Fair value adjustment	742,875	933,074		
<b><u>Roshmetals &amp; Minerals Ltd</u></b>	10,950,183	5,381,419		
Cost of investment	4,462,356	4,001,046		
Fair value adjustment	6,487,827	1,380,373		
<b><u>Edme Investments (Pty) Ltd</u></b>	11,217,669	10,038,874		
Cost of investment	8,287,585	7,904,702		
Fair value adjustment	2,930,084	2,134,172		
<b><u>Roshmerriman Properties (Pty) Ltd</u></b>	1,493,517	1,567,692		
Cost of investment	734,956	734,956		
Fair value adjustment	758,561	832,736		
<b><u>Roshpro Properties (Pty) Ltd</u></b>	2,053,557	1,798,094		
Cost of investment	829,074	829,074		
Fair value adjustment	1,224,484	969,020		
<b><u>Roshmeadow Properties Ltd</u></b>	6,754,366	9,335,374		
Cost of investment	5,493,930	5,267,946		
Fair value adjustment	1,260,436	4,067,428		
<b><u>Roshgold Ventures (Pty) Ltd</u></b>	1,197,715	1,063,044		
Cost of investment	1,029,992	1,023,332		
Fair value adjustment	167,723	39,712		
<b><u>Roshsun Investments Ltd</u></b>	3,587,191	4,088,000		
Cost of investment	3,073,900	3,073,900		
Fair value adjustment	513,291	1,014,100		
<b><u>Shonalansa Trading (Pty) Ltd</u></b>	7,356,269	10,563,737		
Cost of investment	10,254,219	10,254,219		
Fair value adjustment	(2,897,950)	309,518		
<b><u>Al-Ikwaan (Pty) Ltd</u></b>	1,292,464	1,117,148		
Cost of investment	820,438	793,191		
Fair value adjustment	472,026	323,957		
<b><u>Roslen Properties (Pty) Ltd</u></b>	5,712,784	6,005,942		
Cost of investment	4,700,000	4,700,000		
Fair value adjustment	1,012,784	1,305,942		
<b><u>Roshglobal Properties (Pty) Ltd</u></b>	15,049,000	15,049,000		
Cost of investment	15,049,000	15,049,000		
Fair value adjustment	-	-		
Total investment at fair value	69,135,517	68,537,924		
Total investment at cost	56,463,376	55,227,892		

*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 2020	COMPANY		GROUP	
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5. PLANT AND EQUIPMENT

	Cost	Accumulated Depreciation	2020 Carrying Value	Cost	Accumulated Depreciation	2019 Carrying Value
Office equipment	56,030	31,576	24,454	56,030	23,115	32,915
Computer equipment	127,622	77,485	50,137	91,044	64,105	26,939
<b>TOTAL- COMPANY</b>	<b>183,652</b>	<b>109,061</b>	<b>74,591</b>	<b>147,074</b>	<b>87,220</b>	<b>59,854</b>
Fixtures and fittings	198,900	42,910	155,990	46,500	7,715	38,785
<b>TOTAL- GROUP</b>	<b>382,552</b>	<b>151,971</b>	<b>230,581</b>	<b>193,574</b>	<b>94,935</b>	<b>98,639</b>

	<u>2020</u> <u>R</u>	<u>2019</u> <u>R</u>	<u>2020</u> <u>R</u>	<u>2019</u> <u>R</u>
<b>6. INVESTMENTS</b>				
<b><u>At Fair Value</u></b>				
Listed investments	1,431,672	1,697,955	21,331,004	19,598,642
Unlisted investments	20,834,655	18,577,724	49,137,442	47,025,615
	<u>22,266,327</u>	<u>20,275,679</u>	<u>70,468,446</u>	<u>66,624,257</u>
<b><u>At Cost</u></b>				
Listed investments	1,655,298	1,590,045	10,334,789	9,861,656
Unlisted investments	12,815,594	12,684,422	34,301,855	34,209,366
	<u>14,470,892</u>	<u>14,274,467</u>	<u>44,636,644</u>	<u>44,071,022</u>

6.1. LISTED INVESTMENTS – GROUP

	<u>2020</u> <u>Shares held</u>	<u>2020</u> <u>Fair Value</u>	<u>2019</u> <u>Shares held</u>	<u>2019</u> <u>Fair Value</u>
Adaptit Holdings Ltd	21,000	33,180	21,000	119,280
Adbee (RF) Ltd	-	-	399	23,745
Adcock Ingram Ltd	2,658	127,584	2,383	134,665
Anglo American Platinum Corporation Ltd	5,654	2,269,063	5,544	2,232,014
Anglo American Plc Ltd	3,000	3,762,240	3,000	2,510,790
Anglogold Ltd	3,500	1,769,565	3,500	889,035
Assore Ltd	-	-	5,000	1,833,900
BHP Billiton Plc Ltd	6,403	2,276,331	6,039	2,178,630
Exxaro Resources Ltd	10,800	1,408,752	9,800	1,685,502
Glencore Xstrata Plc	10,000	364,600	10,000	504,798
Gold Fields Ltd	9,700	1,573,534	9,700	744,475
Impala Platinum Holdings Ltd	13,000	1,508,000	6,200	432,450
Kumba Iron Ltd	4,800	2,222,880	4,800	2,397,024
Life Health Care Group Holdings Ltd	33,667	567,962	33,667	755,487
Lonmin Ltd	2,050	77,285	50	838
Mediclinic International Plc	1,005	57,526	1,005	54,722
MTN Group Ltd (Asonge)	1,488	118,728	1,488	158,844
Northam Platinum Ltd	15,000	1,743,000	15,000	885,000
Sasol Ltd	4,400	581,680	3,400	1,190,714
South 32 Ltd	10,800	262,980	10,800	336,096
Welkom Yizani Investments Ltd	430	3,659	430	4,085
Vodacom Group Ltd	4,900	602,455	4,400	526,548
<b>Total fair value of listed investments</b>		<u>21,331,004</u>		<u>19,598,642</u>
<b>Net cost of listed investments</b>		<u>10,334,789</u>		<u>9,861,656</u>

*Notes to the Financial Statements (continued)*

30 JUNE 2020	COMPANY		GROUP	
	2020 R	2019 R	2020 R	2019 R
<b>6.2 LISTED INVESTMENTS – COMPANY</b>	<b>2020 Shares held</b>	<b>2019 Shares held</b>	<b>2020 Fair Value</b>	<b>2019 Fair Value</b>
Adaptit Holdings Ltd	21,000	21,000	33,180	119,280
Adbee (RF) Ltd	-	399	-	23,745
Adcock Ingram Ltd	2,658	2,383	127,584	134,666
Life Healthcare Group Ltd	33,667	33,667	567,962	755,487
Mediclinic International Plc	1,005	1,005	57,526	54,722
MTN Group Ltd	744	744	39,306	79,422
Welkom Yizani Investments Ltd	430	430	3,659	4,085
Vodacom Group Ltd	4,900	4,400	602,455	526,548
<b>Total fair value of listed investments</b>			1,431,672	1,697,955
<b>Net cost of listed investments</b>			1,655,298	1,590,045
<b>6.3. UNLISTED INVESTMENTS</b>	<b>2020 Fair value</b>	<b>2019 Fair value</b>	<b>2020 Fair value</b>	<b>2019 Fair value</b>
Erf 549 Vereeniging (Pty) Ltd	-	-	216,564	216,564
Surf Candy Investments (Pty) Ltd	-	-	763,299	763,299
Roshpower Properties (Pty) Ltd	738,571	1,113,511	738,571	1,113,511
Checkfield Investments (Pty) Ltd	60,338	60,466	2,564,510	2,653,710
Fitsfield Investments (Pty) Ltd	271,918	233,454	640,081	645,152
Agnus Investments (Pty) Ltd	-	-	107,637	99,086
Amalgamated Enterprises (Vaal) (Pty) Ltd	185,065	34,222	366,944	211,301
Erf 426 Vereeniging (Pty) Ltd	2,597,009	2,367,509	2,597,009	2,367,509
Top Share Equities Ltd	906,514	1,176,382	906,514	1,176,382
Timewest Investments (Pty) Ltd	12,163,840	11,206,080	13,189,492	12,257,580
Lenmed Clinic Ltd	3,081,750	1,761,000	3,081,750	1,761,000
MMM Investments (Pty) Ltd	829,650	625,100	1,460,071	1,255,521
Ahmed Al-Kadi Private Hospital Ltd	-	-	22,505,000	22,505,000
<b>Total fair value</b>	20,834,655	18,577,724	49,137,442	47,025,615
<b>Total cost</b>	12,815,594	12,684,422	34,301,855	34,290,366
<b>7. Intangible assets</b>				
Goodwill at acquisition net of disposals	-	-	1,190,396	1,632,093
Trademark	2,821	-	2,821	-
	2,821	-	1,193,217	1,632,093
The group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.				
<b>8. TRADE AND OTHER RECEIVABLES</b>				
Trade and other receivables	4,367,423	2,687,848	8,958,000	6,119,725



**ROSHGOLD INVESTMENT HOLDINGS LIMITED**

*Notes to the Financial Statements (continued)*

<b>30 JUNE 2020</b>		<b>COMPANY</b>		<b>GROUP</b>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		R	R	R	R
<b>9.</b>	<b>CASH AND CASH EQUIVALENTS</b>				
	Bank balances.	81,764,869	69,609,770	173,898,534	152,021,645
	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.				
<b>10.</b>	<b>SHARE CAPITAL</b>				
	<b>Authorised</b>				
	100,000 (2019: 100,000) Ordinary shares of R1-00 each	100,000	100,000	100,000	100,000
	<b>Issued</b>				
	74,337 (2019: 67,137) Ordinary shares of R1-00 each	74,337	67,137	74,337	67,137
<b>11.</b>	<b>SHAREHOLDERS LOANS</b>				
	These loans are unsecured, subject to returns at rates determined by the directors, and are repayable at the discretion of the directors.	79,061,799	71,665,215	79,061,799	71,665,215
<b>12.</b>	<b>DEFERRED TAXATION</b>				
	Deferred taxation arose on the restatement of investments and investment property to their fair values.				
	Opening balance	4,325,767	3,517,575	20,017,066	18,973,592
	Current movement	259,113	808,192	2,523,568	1,043,474
	<b>Closing balance</b>	4,584,880	4,325,767	22,540,634	20,017,066
<b>13.</b>	<b>TAXATION</b>				
	South African taxations consists of:				
	Deferred Tax	(259,113)	(808,192)	(2,523,568)	(1,043,474)
	Withholding Tax paid	(12,769)	(14,713)	(527,754)	(160,571)
		(271,882)	(822,905)	(3,051,322)	(1,204,045)
<b>14.</b>	<b>DIRECTORS INTEREST IN CONTRACTS</b>				
	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	18,975	25,300	68,914	66,585

*Notes to the Financial Statements (continued)*

**30 JUNE 2020**

**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	
	2020 R	2019 R	2020 R	2019 R	2020 R	2019 R
AL-IKWAAN INVESTMENTS (PTY) LTD	771,955	744,708	26,250	26,250	149,498	112,135
EDME INVESTMENTS (PTY) LTD	8,239,999	7,721,649	220,400	228,000	1,353,501	1,304,726
ROSHGOLD PROPERTIES (PTY) LTD	1,667,879	1,541,280	106,700	86,400	276,423	313,568
ROSHGOLD VENTURES (PTY) LTD	920,303	915,303	-	-	-	-
ROSHMEADOW PROPERTIES LTD	5,449,002	5,223,022	438,240	508,280	1,059,364	1,158,040
ROSHMERRIMAN PROPERTIES (PTY) LTD	560,494	560,494	56,000	80,000	107,200	150,801
ROSHMETALS & MINERALS LTD	1,695,450	1,407,259	66,506	216,100	66,506	124,067
ROSHPRO PROPERTIES (PTY) LTD	694,824	694,824	37,066	45,080	179,973	265,887
ROSHSUN INVESTMENTS LTD	2,920,000	2,920,000	156,442	161,923	310,702	293,762
SHONALANSA TRADING (PTY) LTD	10,254,219	10,254,188	194,468	93,878	923,078	1,066,243
ROSLEN 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 R173 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	R173,898,534	
	<u>Interest income</u>	<u>Impact on group revenue</u>
Current return on cash based Shariah investments:	R10,345,122	
1% increase in interest rate:	R12,085,948	5% increase in revenue
1% decrease in interest rate:	R8,607,977	5% decrease in revenue

*Notes to the Financial Statements (continued)*

**30 JUNE 2020**

**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 2020	COMPANY		GROUP	
	2020 R	2019 R	2020 R	2019 R
REVENUE	9,835,240	10,221,570	34,711,524	32,934,996
Rental income	-	-	21,184,628	21,061,011
Investment income				
- Subsidiaries	4,646,930	4,789,229	-	-
- Profit share revenue	5,131,194	5,167,722	10,890,756	10,802,236
- Dividends	57,116	264,619	2,636,140	1,071,749
OTHER INCOME	1,156,758	-	4,390,264	4,658,364
- Fair value adjustments	1,156,758	-	4,316,829	4,658,364
- Bad debts recovered	-	-	73,435	-
TOTAL INCOME	10,991,998	10,221,570	39,101,788	37,593,360
EXPENDITURE	9,573,694	10,913,558	32,997,120	32,211,177
Accounting and management fees	398,479	543,812	961,859	1,254,876
Advertising	-	-	5,500	25,985
Auditors remuneration	40,802	30,012	204,510	208,016
Bad debts	-	-	712,370	606,904
Bank charges	28,485	32,318	75,604	80,383
Collection commission	-	-	1,154,460	987,098
Computer expenses	8,706	8,531	18,834	12,814
Depreciation	21,841	36,513	35,195	41,163
Fair value adjustments	-	988,500	-	-
Insurances	-	-	306,407	269,874
Legal fees	35,300	-	134,026	54,833
Loss on sale of investment	-	-	870,567	-
Meeting expenses	25,409	78,392	46,251	249,212
Municipal charges	-	-	5,463,752	5,226,742
Repairs and maintenance	-	-	383,067	573,793
Security	-	-	132,000	84,000
Shareholders returns	8,905,000	9,125,000	22,315,722	22,401,094
Small asset acquisition	9,500	-	9,500	-
Stationery and printing	83,948	61,446	137,319	124,528
Telecommunications	16,224	9,034	30,177	9,862
Net income (loss) before taxation	1,418,304	(691,988)	6,104,668	5,382,183
Taxation	(271,882)	(822,905)	(3,051,322)	(1,204,045)
Net income (loss) after taxation	1,146,422	(1,514,893)	3,053,346	4,178,138
Non-controlling interest	-	-	(1,679,340)	(2,362,876)
Net income (loss) before dividends	1,146,422	(1,514,893)	1,374,006	1,815,262
Dividends	(245,000)	(280,000)	(523,315)	(478,730)
Net profit (loss) for the year attributable to equity holders	901,422	(1,794,893)	850,691	1,336,532

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

***Minutes of the 35<sup>th</sup> Annual General Meeting***

Shareholders of Roshgold Investment Holdings Limited  
Held at Balmoral Gardens, De Deur,  
On 10 November 2019

**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 34<sup>th</sup> Annual General Meeting**

Minutes of the 34<sup>th</sup> annual general meeting were tabled by Nasreen Dukander.

**Adoption of the Minutes**

As no matters arose from the tabling of the past minutes, Mr. Haroun Pochee proposed for the adoption of the minutes and Mr. Riaz Saloojee seconded the motion. The minutes were adopted.

**Chairman's Statement and Review of Operations**

The Chairman, Mr. Ebrahim Sujee presented the 35<sup>th</sup> Chairman's Statement.

Mr. Sujee remembered two founding fathers, Uncle Ebrahim Bhay Dadabhay and Uncle Abbas M Dadoo. Their values and leadership contributed towards the success of the company and would stand the test of time.

In quoting Leon Breytenbach of Rawson Property Group, Mr. Sujee eluded to the fact that change was the only certainty, highlighting that technology was bringing about radical change at an ever-increasing pace.

Mr. Sujee brought to light various events, both locally and internationally, which impacted the economy resulting in lower rentals and yields. However, through management's prudent approach, the capital base had been insulated.

Specific mention was made of the following investments and initiatives;

- The Sandton development which had been allocated the necessary zoning enabling project planning to commence.
- The Ahmed Al-Kadi Hospital investment which showed promise.
- A proposed majority stake in a franchised business ensuring growth and diversification.
- The YBAA programme which had created a new enthusiasm amongst young entrepreneurs.

In concluding, Mr. Sujee said that it was Roshgold's aim to attract and grow a new generation of investors.

**Tabling and Adoption of Annual Financial Statements:**

Saood Dadabhay tabled the Annual Financial Statements and Review of Operations for the financial year ended 30 June 2019. The highlights for the 2019 financial year included;

- The group's total income for the year was R32,9 million against R29,1 million in 2018.
- The group's total expenditure increased from R7,9 million to R9,8 million.
- Property accounts for 67% of the total investment portfolio.
- Group returns paid to shareholders increased by 10% from R20,4 million to R22,4 million.
- Roshgold's capital base increased by 7,596 units.

*Minutes of the 35<sup>th</sup> Annual General Meeting (continued)*

**Resolutions**

The resolutions as tabled were passed:

- Adoption of audited annual financial statements for the year ended 30 June 2019 – Mr. Haroun Pochee proposed for the adoption and Mr. Ahmed Lambat seconded the motion.
- Appointment of Audit Associates as external auditors for the year ending 30 June 2020 – Mr. Ebrahim Sujee proposed for the adoption and Mr. Leonard Rolfes 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. Ahmed Moosa 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. Sayed Dockrat proposed for the adoption and Mr. Haroon Motara seconded the motion.
- Appointment of an audit committee, Mr. Faheem Bahadur and Mr. Yunus Pochee – Proposed for the adoption by Mr. Haroun Pochee and Mr. Yusuf Dockrat 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. Riaz Saloojee and Mr. Yunus Pochee seconded the motion.

**Guest Speaker**

Mr. Arif Ismail, head of Fintech at the South African Reserve Bank, provided those present with a brief education in the emerging world of crypto currency. After recalling his humble beginnings as a teacher at Roshnee Islamic School, Mr. Ismail proceeded to explain some basics.

“Money” was defined as; a store of value, a medium of exchange and a unit of account. Different types of money were identified; cash, central bank deposits, commercial bank deposits and central bank digital currency. Crypto currency, such as Bitcoin, had the potential to make a lot of money but similarly lose a lot of money.

Mr. Ismail fielded questions from the floor. Mr. Ebrahim Sujee enquired as regards to how safe one’s money was when investing in Bitcoin and whether the currency was Sharia compliant. Mr. Ahmed Lambat posed the question “gold coin or Bitcoin?”. Mr. Ismail was of the opinion that money was the most liquid asset and that currently “cash is king”. However, over time, we could expect a cashless society due to costs in producing money.

**Competition Draw**

<b>COMPETITION</b>	<b>WINNER</b>	<b>PRIZE</b>	<b>SPONSORED BY</b>
Newsletter Competition	Shamima Jada	SMEG Stainless Steel Juicer	Diamond Corner
Instagram Competition	Masood Pahad	SMEG Stainless Steel Juicer	Diamond Corner
Lucky Draw	Faziela Patel	SMEG Saucepan	Diamond Corner
Lucky Draw	Shownee Gabru	SMEG Saute pan	Diamond Corner
Lucky Draw	Mariam Loonat	Samsung A10	MTN Parys
Early Bird	Rashida Dadabhay	Gift Basket	Roshgold Group
Early Bird	Ahmed Chotia	Gift Basket	Roshgold Group
Young Leaders Competition	Muhamed Choonara	Gift Basket	Roshgold Group

**CLOSURE**

There being no further business, the meeting was closed.

