



AcSION Limited and its subsidiaries
(Registration number 2014/182931/06)
Audited consolidated and separate Annual Financial Statements
for the year ended 28 February 2021

These Annual Financial Statements were prepared by:
Malandar Proprietary Limited
under the supervision of
S. le Roux CA(SA)
Financial Director

These consolidated and separate Annual Financial Statements have been audited in compliance with the applicable requirements of the Companies Act 71 of 2008.

Issued 30 June 2021

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Index

	Page
Audit and Risk Committee Report	2 - 8
Directors' Responsibilities and Approval	9 - 10
Chief Executive Officer and Financial Director's Responsibility Statement	10
Group Secretary's Confirmation	11
Independent Auditor's Report	12 - 22
Directors' Report	23 - 27
Statement of Financial Position	28
Statement of Profit or Loss and Other Comprehensive Income	29
Statement of Changes in Equity	30 - 31
Statement of Cash Flows	32
Accounting Policies	33 - 46
Notes to the Annual Financial Statements	47 - 99
Appendix A and B to the Annual Financial Statements	100

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Audit and Risk Committee Report

The Group's Audit and Risk Committee ("the Committee") is a committee of the Board of Directors ("the Board"). The activities of the Committee are determined by its terms of reference as approved by the Board and its statutory responsibilities in terms of the JSE Listings Requirements and South African Companies Act 71 of 2008 ("the Companies Act").

The purpose of the Committee is to provide the Board and the shareholders with sufficient assurance that their interests are protected in respect of internal controls, financial reporting and risk identification and management. The Committee therefore has a responsibility to ensure that the Group has effective systems in place to ensure adherence to good governance principles as defined in the King Report on Governance for South Africa 2016 ("King IV"); that effective mechanisms are in place to ensure that risks are being identified and managed and that the Group is aware of its legal and regulatory commitments.

One of the key roles of the Committee is to ensure that systems and processes are in place to ensure that assets and liabilities are recorded accurately and fairly in accordance with International Financial Reporting Standards ("IFRS"). The Group has implemented an internal control framework, an internal control function, regular interaction with the external auditor and regular reporting on current results against budgets and prior year results, to comply with this responsibility. Appropriate financial reporting procedures are in place and these are fully operational to ensure access to all financial information so as to effectively prepare and report on financial statements for each company within the Group.

The governance of risk is a key priority for the Board, the Committee and management. The Board who is ultimately responsible for managing risk, has delegated oversight responsibility for risk management to the Committee. Management is responsible for the identification, implementation and management of risks.

During the latter part of the 2020 financial year and 2021 financial year, the Audit Committee has consistently raised concerns on the deficiencies in the financial controls and financial reporting procedures and Acsion is working hard on strengthening the financial reporting function.

The Committee has recommended to the Board the approval of the Annual Financial Statements for the year ended 29 February 2021.

In accordance with the Audit and Risk Committee Charter, the Board delegated certain duties, responsibilities and authority to the Committee. The matters reviewed and managed by the Committee remains the responsibility of the Board as a whole with the Committee acting on behalf of the Board.

ROLE OF THE COMMITTEE

The specific roles and responsibilities of the Committee include, but are not limited to:

- reviewing legal and regulatory requirements and adherence thereto;
- ensuring good standards of governance, reporting and compliance are in operation, including the monitoring of adherence to applicable legislation, included but not limited to the Companies Act 71 of 2008, the Income Tax Act of 1952, the Value-added-tax Act of 1991 and other applicable legislation;
- the appointment of internal and external auditors and the independence thereof;
- overseeing the internal audit function;
- overseeing the relationship with the external auditor;
- overseeing the effective functioning of the combined assurance process;
- providing the Board with additional assurance regarding the efficacy and reliability of the financial information used by the directors to assist them in discharging of their duties;
- reviewing the expertise, qualifications and performance of the finance function;
- overseeing management's implementation and adherence to accounting policies, reporting and record-keeping standards;
- assessing of the Key Audit Matters;

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Audit and Risk Committee Report

- reviewing interim and Annual Financial Statements including the Integrated Report;
- reviewing the ability of the Group and Company to continue as a going concern including its solvency and liquidity;
- ensuring that significant business, financial and other risks have been identified and are being suitably managed; and
- effective and timely implementation of corrective actions to address any risk management deficiencies.

MEMBERSHIP OF THE COMMITTEE

The Committee comprises three independent Non-Executive Directors at date of approval of this report. All members of the Committee are suitably skilled and experienced in:

- financial and sustainability reporting;
- internal financial controls;
- internal audit processes;
- external audit processes;
- risk management;
- corporate law;
- information technology governance in relation to integrated reporting; and
- governance processes within the Group.

Members and attendance of the Committee are included in the table below:

Member	Age	Qualification	Status	Attendance
Modi Hlobo	46	CA(SA), Masters in Finance	Independent non-executive director	4/4
David Sekete	67	BsC, MBChB, MScMed	Independent non-executive director	4/4
Thabani Jali	62	BA, LLB, LLM	Independent non-executive director	4/4

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Audit and Risk Committee Report

ACTIVITIES OF THE COMMITTEE DURING THE YEAR

The Committee has an annual work plan, developed from its terms of reference and statutory responsibilities. During the 2020/2021 financial year, the Committee focused on the following three principal areas:

Risk and internal controls	External and internal audit	Accounting, tax and financial reporting
Participated in the annual risk assessment process	Considered and approved the extension of the contract with the outsourced internal auditors	Reviewed and approved the interim and Annual Financial Statements and significant reporting judgements
Considered reports from internal auditors on their assessment of the Group's internal control	Considered and approved the annual risk-based internal audit scope and budget	Considered the solvency and liquidity of the Group for the basis of recommending the Group's interim and annual results to the Board for approval
Considered reports from external auditors on their assessment of the Group's internal control	Considered the level of alignment between the Group's key risks and the internal audit programme	Reviewed the related disclosures in the Annual Financial Statements
Considered risk matrices from the risk assessment process as identified and assessed by management and members of the Committee	Considered and recommended the appointment of new external auditors for the 2019/2020 financial year	Considered capital management and gearing ratios
Considered risk management reports on risk management activities and improvement of the residual risk ratings	Considered and approved the audit approach and scope of audit work to be undertaken by the external auditor and the external auditor's compliance with International Standards on Auditing	Reviewed and approved disclosures in the Integrated Report in relation to controls, principal risks and uncertainties and the work of the Committee
Assessed the effectiveness of the Group's internal control environment	Considered the independence of the external auditor and their effectiveness as well as considered and approved the audit fees proposed	Considered whether the Chief Financial Officer has appropriate qualifications and experience in the property industry
Considered the Group's regulatory compliance requirements		
Reviewed and recommended for approval the improvement of the risk management policy and framework		

Acscion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acscion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Audit and Risk Committee Report

SIGNIFICANT MATTERS IDENTIFIED AND CONSIDERED BY THE COMMITTEE

After discussions with management, the Committee reviewed key audit matters and primary risks of misstatements of the Group's financial statements arising from:

- valuation of Acsiopolis;
- valuation of Mall@Larnaca;
- valuation of other investment properties;
- impairment assessment of the intangible asset for the Mall@Maputo;
- potential impairment of goodwill;
- JSE Proactive Monitoring review;
- Bengavista classification;
- Liquidity.

The matters were discussed continuously during the year and accounting treatments agreed with management, the internal auditors and the external auditor. The Board is satisfied that the final presentation of results includes all conclusions arising from deliberations of these matters.

Valuation of Acsiopolis and Mall@Larnaca

The Audit and Risk committee assigned an Independent Property Valuation expert to value the Acsiopolis mixed use property investment as well as the Mall@Larnaca. The Audit Committee satisfied itself with the expert's competency, qualifications, experience and objectivity. The judgement and valuation methods used by the independent expert are aligned with industry standards and the committee was satisfied with the derived investment value.

Similarly, the external auditors contracted their own independent valuation expert to validate the investment values. They concluded that the model and assumptions used to value the properties were appropriate and the values derived by Ascion's independent expert were acceptable being within their valuation range. The Audit Committee has recommended that in the 2022 financial year, the valuer should be rotated and that a Cypriot valuer should be used for Mall @ Larnaca.

Valuation of investment properties

There is significant judgement by the Directors in determining the fair value of investment properties. The judgement applied is supported by independent valuations by experienced valuers. To ensure that the methods used in valuing properties are in line with industry standards, the Committee considered the competence, qualifications, experience, capabilities and objectivity of independent valuers.

The external auditor made use of their own expert for a selection of properties to evaluate the Directors' and their valuers judgements. They found that the models used for the various property categories were appropriate and the discount and exit capitalisation rates were comparable to the market. Refer to the Annual Financial Statements note 3 where the inputs with the most significant impact on valuations are outlined.

Impairment assessment of the intangible asset relating to Mall @ Maputo

During the current financial year the entire value of Mall @Maputo was written off with retrospective effect.

Impairment of goodwill

Goodwill arose as a result of acquisitions by the Group. It is annually assessed for impairment. The Committee considered that the assumptions, judgements and disclosures are appropriate and that no goodwill impairment is required during the 2021 financial year. Refer to note 7 of the Annual Financial Statements regarding goodwill.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Audit and Risk Committee Report

Bengavista Classification

At the end of the year, the upmarket residential property at Hyde Park Terrace, previously treated as investment property was transferred to inventories due to management's intention to sell the residential units.

JSE Monitoring report

During the 2021 financial year, AcSION was monitored by the JSE and in their closing letter the JSE requested AcSION to adjust its interim and financial results with some of their recommendations. Furthermore, the audit committee was requested to:

- consider the expertise and experience of the financial director (par 3.84(g)(i));
- ensure that the issuer has established appropriate financial reporting procedures; and
- that those procedures are operating (par 3.84(g)(ii)); and
- consider any deficiencies in financial controls reported to the committee by the CEO and CFO (par 3.84(k));
- ensure the CEO and financial director must attest to the fact that internal financial controls have been put in place and that they are adequate and effective and can be relied upon (par 3.84(k)).

Upon guidance from the Audit and Risk Committee from the end of the 2020 financial year, measures have been taken by management to strengthen the financial reporting controls and procedures in the Group.

Pursuant to the JSE monitoring panel review the Company engaged an independent IFRS expert to guide the financial team in its reporting when required.

The Committee is also satisfied that the rotation of external auditors has resulted in enhanced reporting by bringing a "fresh pair of eyes" to its results and reporting.

This notwithstanding, the Committee confirms that it is satisfied with the experience and expertise of the financial director. It is also satisfied that appropriate financial reporting procedures are in place and that these procedures are operational at both the Company and at its subsidiaries.

Annual Financial Statements

The Committee is satisfied that the Annual Financial Statements appropriately address these critical judgements and key estimates pertaining to the above matters regarding both amounts and disclosures, after reviewing the presentations and reports from management and consulting with the external auditor where necessary. The Committee is also satisfied that the significant assumptions used for determining the values of AcSiopolis and the Mall@Larnaca, the value of investment properties, goodwill, intangible assets and other assets and liabilities have been appropriately examined, questioned and challenged. No material unadjusted errors in the consolidated and separate Annual Financial statements were noted by the Committee.

Going concern

The Committee considered and assessed the Group and Company's status as a going concern operation in the preparation of the Annual Financial Statements. The Committee and Board are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the next 12 months after a review of the Group's cash flow forecast for the 12 months ending 30 June 2022 and the current financial position. The consolidated and separate Annual Financial Statements have been prepared on the going concern basis. Regarding the liquidity position of the Group and Company, during the financial year, the Group and Company's current liabilities exceeded current assets and its major borrowing facilities at or shortly after year-end. These liquidity issues were resolved by securing new borrowings which, when considered in conjunction with continued good revenue flows forecast for the next twelve months, reflect the Company has adequate cash resources to operate as a going concern and to fund its current developments in progress. A new facility of approximately R963 million has been secured over Golden Falls 125 Proprietary Limited (a subsidiary within the Group) to replace the expiring facility.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Audit and Risk Committee Report

Internal audit

Acsion maintains internal controls and systems designed to provide reasonable assurance regarding the reliability of the Annual Financial Statements and to protect, verify and maintain accountability for its assets. These controls are implemented by trained individuals with segregated duties and responsibilities.

The internal audit function has been outsourced to MWRK Accountants and Auditors Incorporated, a professional service provider, ensuring that an independent function exists. The function is responsible for preparing and implementing the internal audit plan over a three-year rolling period. The Committee reviewed and approved the plan, incorporating the field work for the ensuing year. The internal audit function operates under the direction of the Committee with approval of the scope of work to be performed. Findings are reported to the Committee on a regular basis and corrective action is taken to address internal control deficiencies identified in the execution of work.

External audit

RSM South Africa Inc. has been appointed as the external auditor of Acsion and its subsidiaries, in terms of JSE Listing Requirements 3.84 (g). RSM are the auditors for the first time in 2021 and the engagement partner on the audit is Gary Parker. It is the policy of the Group that any non-audit services are approved by the Committee. RSM did not provide any non-audit service during the year under review.

The audit committee is satisfied with the audit services provided by RSM for the year 2020/2021. The auditor's remuneration for the year ended 29 February 2021 amounted to R1.6 million.

The audit firm has issued the relevant letters in terms of IRBA requirements relating to monitoring, procedures and deficiencies to the Audit Committee.

Internal controls

The Group maintains financial, legal compliance and operational systems of internal control to meet the Group's responsibility to provide reliable information. The controls are designed to provide reasonable assurance that transactions are concluded in accordance with management's authority, are properly authorised and recorded and that the assets are adequately protected against material losses, unauthorised acquisition, use or disposal. The systems include a documented organisational structure and division of responsibility, established policies and procedures and the training and development of people.

Risk management

Effective risk management is an integral part in ensuring that the Group's strategic intent and growth targets are met. A risk management policy has been implemented which are reviewed, assessed and amended, where applicable, by the Committee on a regular basis. The risk management charter outlines and prescribes the risk management process and is applicable across the Group and its subsidiaries.

The Board takes ultimate responsibility for risk management and has delegated oversight responsibility to the Committee. Management reports on a regular basis to the Committee to confirm that all potential and emerging risk mitigations have been identified and recorded and furthermore that appropriate action has been taken to mitigate the risk to acceptable levels. Due to capacity constraints in the finance team risk management reporting has not always been consistent. However, a risk officer has been appointed after year-end and this remedial action should ensure that this function is consistently exercised in the current year.

Material risks relating to the Group are available at <https://www.acsionsa.co.za/> under the "Investor Centre". Acsion's risk management is a continuous process and aims to:

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Audit and Risk Committee Report

Acsion's risk management is a continuous process and aims to:

- set risk governance structures, roles and responsibilities using a combined assurance approach;
- provide an overview of all risk management procedures;
- clarify the risk management organisational structure, related roles and responsibilities;
- provide guidance related to the key components of an effective risk management initiative;
- provide a bespoke, yet consistent approach to the application of risk management across the Group; and
- ensure that the risk management function is integrated with the business planning processes.

Regulatory compliance

The Committee oversees compliance with accounting standards, financial reporting requirements and legal statutory compliance. The Board receives regular feedback from the Chairpersons of the Committee, the Social and Ethics Committee as well as the Remuneration Committee and Nominations Committee.

A formal process is in place ensuring a mandatory authorisation process for dealings in Acsion shares, disclosure of conflicts of interest, as well as formal levels of authority and delegated signing authorities for business transactions.

Acsion has had no material incidents of non-compliance, penalties or fines issued relating to non-compliance with legal and regulatory requirements. An independent whistleblowing hotline directly to the Committee is available to all employees.

On behalf of the Audit and Risk Committee

M. Hlobo

Audit and Risk Committee Chairman

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Directors' Responsibilities and Approval

The Directors are required in terms of the Companies Act of South Africa 70, of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate Annual Financial Statements and related financial information included in this report. It is their responsibility to ensure that the consolidated and separate Annual Financial Statements fairly present the state of affairs of Acsion Limited ("Acsion") and its subsidiaries ("the Group" and "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 ("IFRS").

The consolidated and separate Annual Financial Statements are prepared in accordance with IFRS and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the Companies Act, 71 of 2008 ("Companies Act") applicable to companies reporting in terms of IFRS and the JSE Listings Requirements 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 Group 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 Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. While operating risk cannot be fully eliminated, the Group 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 are satisfied that the Company has complied with the provisions of the Companies Act, relating to its incorporation and is operating in conformity with its memorandum of incorporation.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the consolidated and separate Annual Financial Statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Group and Company's cash flow forecast for the period to 30 June 2022 and, in light of this review and the current financial position, they are satisfied that the Group and Company has or had access to adequate resources and will negotiate to replace any expiring facilities in order to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the consolidated and separate Annual Financial Statements. The consolidated and separate Annual Financial Statements have been examined by the Group's external auditors and their report is presented on pages 12 to 22.

The consolidated and separate Annual Financial Statements set out on pages 23 to 105, which have been prepared on the going concern basis, were approved by the board on 30 June 2021 and were signed on their behalf by:

Approval of financial statements

K Anastasiadis

Authorised director
T.S.B Jali (Chairman)

Authorised director
K. Anastasiadis (CEO)

Wednesday, 30 June 2021

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Chief Executive Officer and Financial Director's Responsibility Statement

The directors, whose names are stated below, hereby confirm that:

(a) the annual financial statements set out on pages 23 to 105, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

(c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of the King Code. Where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and any fraud that involves directors, and have taken the necessary remedial action.

K Anastasiadis
Chief Executive Officer

S le Roux
Financial Director

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Group Secretary's Confirmation

Declaration by the Group secretary in respect of Section 88(2)(e) of the Companies Act 71 of 2008

In terms of Section 88 (2) (e) of the Companies Act 71 of 2008, as amended, I certify that the Group has lodged with the Companies and Intellectual Properties Commission (CIPC) all such returns as are required of a public company in terms of the aforementioned Companies Act and that all such returns are true, correct and up to-date.

Michael Reynolds

**B.Com, B.Com Hons, CA (SA) RA (SA) BA
(Sociology), Chartered Accountant (SA)**

**Registered Auditor
Company Secretary**

INDEPENDENT AUDITORS' REPORT

To the shareholders of Acsion Limited

Opinion

We have audited the consolidated and separate financial statements of Acsion Limited and its subsidiaries ("the Company" and "the Group", respectively) set out on pages 28 to 99, which comprise the consolidated and separate statements of financial position as at 28 February 2021, the consolidated and separate statements of profit or loss and other comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and Company as of 28 February 2021, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) 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 consolidated and separate financial statements section of our report. We are independent of the Group and 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.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report with regard to the audit of the separate financial statements of the Company for the current period. Key audit matters with regard to the audit of the consolidated financial statements of the Group are set out below.

THE POWER OF BEING UNDERSTOOD

AUDIT | TAX | CONSULTING

Directors E Bergh, B Com (Hons), CA(SA), C D Betty, B Acc, CA(SA), J Coetzer, B Compt (Hons), CA(SA), M G Q de Faria, B Bus Sc, CA(SA), B J Eaton, B Acc, H Dip Tax Law, CA(SA), A C Galloway, B Sc Mech Eng, CA(SA), M Greisdorfer, B Com (Hons), CA(SA), H Heymans, B Compt (Hons), M Com, FCCA, CA(SA), N C Hughes, B Compt (Hons), PG Cert Adv Tax, CA(SA), J Jones, B Com, B Acc, H Dip Tax Law, H Dip Int Tax Law, CA(SA), J Kitching, B Compt (Hons), CA(SA), G Parker, B Com, CA(SA), R V Pita, B Compt (Hons), CA(SA), L Quintal, B Com (Hons), CA(SA), R Rawoot, B Compt (Hons), CA(SA), P D Schulze, B Acc Sc (Hons), PG Dip Tax Law, CA(SA), M Steenkamp, B Compt (Hons), M Com, CA(SA), A D Young, B Compt (Hons), CA(SA)

RSM South Africa Inc. Registration No. 2016/324649/21, Practice No. 900435 is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

Key Audit Matter	How our audit addressed the key audit matter
<p>1. Prior period error restatements</p> <p>The consolidated and separate financial statements of Acision Limited as at and for the years ended 29 February 2020 and 28 February 2019, excluding the adjustments described in note 38 to the consolidated and separate financial statements, were audited by another auditor who expressed an unmodified opinion on those consolidated and separate financial statements on 29 May 2019 and 28 May 2020, respectively.</p> <p>As part of our audit of the consolidated and separate financial statements as at and for the year ended 28 February 2021, we audited the adjustments described in note 38 that were applied to restate the comparative information presented as at and for the years ended 29 February 2020 and 28 February 2019. We were not engaged to audit, review, or apply any procedures to the financial statements for the years ended 29 February 2020 and 28 February 2019, other than with respect to the adjustments described under note 38 to the consolidated and statements. Accordingly, we do not express an opinion or any other form of assurance on those consolidated financial statements taken as a whole for the respective periods.</p> <p>For the purpose of the audit, we identified prior period error restatements as disclosed under note 38 as a key audit matter due to the materiality thereof and the significant judgements involved in the restatements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We critically assessed management's judgements and representations made with regards to the prior period error restatements. • We assessed the appropriateness of the accounting treatment relating to the prior period error restatements in determining whether the transaction was accounted for in accordance with the requirements of IFRS. <p>We concluded that the prior period error restatements were appropriate and adequately disclosed in the consolidated and separate financial statements.</p>
<p>2. Investment property – Completed developments</p> <p>The Group's investment property comprised completed developments and developments under construction.</p> <p>As disclosed in note 6, completed developments amounted to R6 billion (2020 R6.2 billion) and the fair value adjustment recorded in profit for the year</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the competence, capabilities and objectivity of the independent external valuers and verified their qualifications. Engagements were furthermore held with the external valuers so as to confirm that there were no impediments to their

Key Audit Matter	How our audit addressed the key audit matter
<p>was an impairment of R123 million (2020 revaluation R259 million).</p> <p>The key inputs and assumptions applied in the fair value computations for each property vary based on location of the properties, nature of and use of the respective properties. The valuation of investment properties is dependent on assumptions and judgements, such as:</p> <ul style="list-style-type: none"> • Discount rates; • Vacancy rates; • Revenue and expenditure escalation rates; and • Capitalisation and exit capitalisation rates. <p>The most significant assumptions relate to the discount, capitalisation and exit capitalisation rates applied, the amendment of which will significantly affect the valuation of the investment property.</p> <p>The Group uses external valuers to determine the fair values for a selection of properties on an annual basis. The selected properties are valued externally on a three-year cycle, while the remaining properties are valued internally by the directors and prescribed officers.</p> <p>For the purpose of the audit, we identified investment properties as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the level of judgement and estimation uncertainty associated in determining the fair value.</p>	<p>independence and objectivity with no scope limitations being imposed upon them.</p> <ul style="list-style-type: none"> • We evaluated the skills and experience of the directors and prescribed officers with respect to property valuation by assessing their competence, capabilities, and objectivity through meetings, inspection of their qualifications and consideration of their experience in the field. • For all investment properties, we assessed the significant assumptions including the discount, capitalisation and exit capitalisation rates against benchmarks as represented by November 2020 South African Property Owners Association (SAPOA) published figures, commentary from the auditor appointed expert and through engagement with both the directors and independent property valuers. • We relied on work performed by independent experts to evaluate a selection of valuations performed by the directors' independent external valuers and the directors themselves. We, and our independent experts, paid particular attention to the valuation models used, the inputs into those models, and the significant assumptions applied. • We assessed the reasonableness of the cash flows used in arriving at the fair value of the investment properties for the period concerned. • We assessed the respective valuation approaches used by the independent valuers and directors considered if they complied with IFRS and were consistent with industry norms. • We assessed the sensitivity analyses that were performed on the significant assumptions to evaluate the extent of the impact on the fair values and assessed the appropriateness of the Group's disclosures relating to these sensitivities.

Key Audit Matter	How our audit addressed the key audit matter
	We concluded that the investment property disclosures, valuation models, assumptions, and input information were appropriate, and no material deviations were identified.
3. Investment property – Acsiopolis development	
<p>As disclosed in note 6 to the Financial Statements, The Acsiopolis development is carried at an amount of R1.3 billion (2020: R1.7 billion), and the fair value adjustment recorded in net profit for the year in respect of investment property recognised a devaluation of R699 million (2020: devaluation of R4.5 million).</p> <p>This is the first property development for the Group that will include a hotel, residential units, and retail, as opposed to only retail. Acsiopolis has been designed as a 20-storey mixed use development which is situated in Sandton, South Africa. This development represents the largest single-phase development the Group has undertaken to date. Consistent with prior year, the hotel portion has been classified as property, plant, and equipment as it will be used within the Group.</p> <p>For the purpose of the audit, we identified the valuation of Acsiopolis as a key audit matter due to the estimation uncertainty involved with determining the key inputs and assumptions. These inputs and assumptions are applied in the fair value computation for the development property, based on the highest and best use assessment as per IFRS 13, Fair value measurement. The most significant assumptions relate to the discount and capitalisation rates as well as the sales rate per square meter applied over the sectional title units and estimated costs to complete. The amendment to any of the key assumptions will significantly affect the valuation of the development property.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the competence, capabilities and objectivity of the independent external valuer and verified their qualifications. We also engaged with the external valuer so as to confirm that there were no impediments to their independence and objectivity with no scope limitations being imposed upon them. • We investigated and assessed the appropriateness of the changes in assumptions from those applied in the prior period valuations. • We assessed the appropriateness of the application of the highest and best use model in the valuation that was performed and considered its compliance with IFRS 13. • We critically assessed the assumptions used by the external valuator, especially in terms of the sales rate per square metre that was applied to the hotel and residential units, coupled with the discount and capitalisation rates. • We compared the costs to complete as presented by the external valuation expert to the quantity surveyor report as at year-end. • We engaged our own independent expert to evaluate the valuation performed. • We assessed the sensitivity analysis relating to the significant assumptions to evaluate the extent of the impact on the fair values and assessed the appropriateness of the Group's disclosures relating to these sensitivities.

Key Audit Matter	How our audit addressed the key audit matter
	We concluded that the investment property disclosure, valuation models, assumptions, and input information were appropriate.
4. Investment property – Larnaca development	
<p>As disclosed in note 6 to the financial statements, the Larnaca development is carried at an amount of R1.446 billion (2020: R550.1 million) and the fair value adjustment recognised in net profit for the year in respect of investment property was R520.1 million (2020: R48.1 million).</p> <p>Larnaca is currently under construction and will operate as a retail mall in Cyprus.</p> <p>This is the first international property development for the Group. The Group uses an independent external valuer to annually determine the fair value for the property.</p> <p>For the purpose of the audit, we identified the valuation of Larnaca as a key audit matter due to the key inputs and assumptions that are applied in the fair value computation for the development property-based value in use calculations. The most significant assumptions relate to the discount, capitalisation rates and costs to complete. The amendment to any of the key assumptions will significantly affect the valuation of the development property.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the competence, capabilities and objectivity of the independent external valuer and verified their qualifications. We also engaged with the external valuer so as to confirm that there were no impediments to their independence and objectivity with no scope limitations being imposed upon them. • We investigated and assessed the appropriateness of the changes in assumptions from those applied in the prior period valuations. • We critically assessed the assumptions used by the external valuator, coupled with the discount and capitalisation rates. • We assessed the appropriateness of the long-term lease over land in relation to the valuation of the property. • We engaged our own independent expert to evaluate the valuation performed. • We assessed the sensitivity analysis relating to the significant assumptions to evaluate the extent of the impact on the fair values and assessed the appropriateness of the Group's disclosures relating to these sensitivities. <p>We concluded that the investment property disclosure, valuation models, assumptions, and input information were appropriate.</p>

Key Audit Matter	How our audit addressed the key audit matter
<p>5. Impairment assessment – Intangible asset relating to the Mall@Maputo</p> <p>As disclosed in notes 8 and 38, an intangible asset of R200 million has been fully impaired in a prior period.</p> <p>The intangible development project asset relates to an undertaking to develop parcels of land in the city of Maputo, Mozambique which arose upon the formation of the Group.</p> <p>Subsequent to the recognition of the intangible asset, a Memorandum of Understanding (MOU) was entered into with the Mozambican government. however, to date no formalised contract has been signed, neither has any form of construction commenced. This resulted in significant uncertainty relating to the carrying value of the asset and the need for impairment.</p> <p>IAS36, Impairment of assets, requires that an entity assesses at the end of each reporting period whether there is any indication that an asset may be impaired.</p> <p>Because this assessment was complex and subject to significant judgement, we identified the intangible asset balance as disclosed under note 8 as a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We engaged with the directors with regards to their intention to continue with the project. • We assessed the legal enforceability of the MOU with assistance of independent legal expert. • We considered performance obligations and concluded that no performance obligations required by the parties as presented in the MOU had been met during the course of the current or prior financial periods. • We assessed the models used by the directors to calculate the value in use and concluded that it was substantially in compliance with IAS 36. • We assessed the appropriateness of inputs and assumptions used by the directors in applying the value in use model. • We assessed, based on the impairment assessment in the current period, coupled with discussions with management, if the impairment occurred in a prior period. Based on information provided by management, management's appointed valuation expert and review of the model, we concurred with management's treatment as an error in prior periods. <p>We concluded that the intangible development project asset was correctly disclosed for both the current and prior periods based on management's assessment as disclosed per notes 8 and 38 of the consolidated financial statements.</p>

Key Audit Matter	How our audit addressed the key audit matter
<p>6. Impairment assessment – Intangible asset relating to Acsiopolis</p> <p>At listing, in 2015 the Group purchased the entire shareholding of Lomastep Proprietary Limited (Acsiopolis development) for R209.8 million. At that point in time, an intangible asset of R171 million was recognised, representing the amount in excess of the fair value of the acquired land.</p> <p>An intangible asset therefore arose because of the difference between the cost that could be attributed to the land and the purchase price.</p> <p>The intangible asset was subsequently amortised based on the stage of completion of the Acsiopolis development during the course of construction as at each relevant year-end. The balance of the intangible asset as of 28 February 2019 was R33 million.</p> <p>As the property was carried at fair value in the subsidiary company, the additional intangible asset held on consolidation had the effect of overstating the consolidated carrying value by R33 million as at 28 February 2019 and 2020.</p> <p>For the purpose of the audit, we identified the intangible asset balance to be a key audit matter due to the balance being significant to the consolidated carrying value of the Acsiopolis development.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • We assessed the accuracy of the measurement of the fair value of the underlying development as at year-end (refer to key audit matter point 3). • We assessed the appropriateness of the prior year's accounting treatment in terms IAS 38, Intangible Assets, which included the amortisation thereof. <p>We concluded that the intangible asset was fairly presented for both the current and prior periods, based on management's assessment as disclosed per notes 8 and 38 of the consolidated financial statements.</p>
<p>7. Goodwill</p> <p>As disclosed in note 7, the carrying value of goodwill amounts to R625.5 million (2020: R625.5 million).</p> <p>Goodwill originated on the formation of the Acsion Limited Group and represents a premium paid in relation to the acquisition of Southern Palace Investments 108 Proprietary Limited trading as Anaprop Property Management. The premium was paid to internalise the property management and asset management functions within the Group.</p> <p>In terms of IAS 36 – Impairment of assets, goodwill should be assessed for impairment annually in</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Critically evaluating the determination of the CGU, being Anaprop Property Management. We reviewed prior periods' financial records and listing documents and determined that the CGU was Anaprop Property Management. • Evaluating whether the model used by management to calculate the value-in-use of the CGU complies with the requirements of IAS 36.

Key Audit Matter	How our audit addressed the key audit matter
<p>order to establish whether it should be impaired. Fair value less costs to sell, as well as the value in use should be determined, and these values compared to the carrying value of the goodwill.</p> <p>The determination of the impairment is highly subjective as significant judgements are required by the directors in determining the appropriate cash generating unit (CGU), the future cash flows, and the growth and discount rates.</p> <p>Other variables implicit in the valuation of goodwill include:</p> <ul style="list-style-type: none"> • Discount rate • The capital structure of the Company, as it affects the discount rate to be applied. • Expected long-term growth rates. • Contractual fee income and operational escalation rates. <p>For the purpose of the audit, we identified the measurement of the intangible asset balance as disclosed under note 7 to be a key audit matter due to the significance of the balance to the consolidated financial statements as a whole and the judgements associated in performing the impairment assessment.</p>	<ul style="list-style-type: none"> • We evaluated the skills and experience of the directors and prescribed officers with respect to the impairment test by assessing their competence, capabilities, and objectivity through meetings, inspection of their qualifications and work experience. • Engaging our internal valuation specialist review on the development of the weighted average cost of capital rate that was applied in the impairment model. • We investigated and assessed the appropriateness of the assumptions applied and inputs used in the respective model. • We assessed the sensitivity analysis relating to the significant assumptions to evaluate the extent of the impact on the fair values and assessed the appropriateness of the Group's disclosures relating to these sensitivities. <p>We concluded that the goodwill in note 7 of the consolidated financial statements is not impaired. It was concluded that the CGU was correctly identified.</p>

Other matter

The consolidated and separate financial statements of Acsion Limited for the year ended 29 February 2020, were audited by another auditor who expressed an unmodified opinion on those statements on 28 May 2020. We draw attention to note 38 to the consolidated and separate financial statements which indicates that the comparative information presented as at and for the years ended 29 February 2020 and 28 February 2019 has been restated. Our opinion is not modified in respect of this matter. Refer to point 1, Key Audit Matter for further explanation on the nature of the adjustments.

Other information

The directors are responsible for the other information. The other information comprises the directors' report, the Audit and Risk Committee's Report, Chief Executive Officer and Financial Director's Responsibility Statement and the Company Secretary's Certificate as required by the Companies Act of South Africa and additional information included in Annexure A and B in the annual report, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditors' report thereon.

Our opinion on the consolidated and separate 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 consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate 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 auditors' 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 consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 consolidated 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 consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and 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 Group's and 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 auditors' report to the related disclosures in the consolidated and separate 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit and Risk Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit and Risk Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit and Risk Committee, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 04 December 2015, we report that RSM South Africa Inc. has been the auditor of Acsion Limited for one year.

RSM South Africa Inc.

**Gary Parker
Chartered Accountant (SA)
Registered Auditor
Director**

Date

**Executive City
Cnr. Cross Street and Charmaine Avenue
President Ridge
Randburg 2125**

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Directors' Report

The Directors have pleasure in submitting their report on the consolidated and separate Annual Financial Statements of Acsion Limited and the Group for the year ended 28 February 2021.

1. Nature of business

Acsion Limited is an investment entity incorporated in South Africa with interests in the property holding and development industry. The Company does not trade, and all of its activities are undertaken through its principal subsidiaries, associates and joint arrangements. The Group operates in South Africa and is developing a mall in Cyprus and is exploring potential opportunities in the rest of Africa.

2. Review of financial results and activities

The consolidated and separate Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the requirements of the Companies Act 71 of 2008.

Revenue for the Group increased from R687 million in 2020 to R697 million in 2021. This increase of 1.45% (2020: 5.1%) was well below expectations as a result of rental rate decreases and the trimming of escalations attributable to the effects of COVID 19 on tenant operations. Vacancy rates also increased as a result of COVID 19 and a deteriorating economy.

Operating expenses increased by 16.4% (2020:33%), of which R84 million related to an impairment loss on revaluation recognised for the owner occupied hotel. Ignoring the impact of the impairment, management was successful in its efforts to curtail expenditure in an environment where the impact of COVID-19 was very relevant. This included negotiating with suppliers for discounted fees during lockdown periods. Expenditure reduction achieved also included reduced employment costs, however government stepped in with the TERS program to mitigate the impact of COVID 19 on the Group's employees. Rates and taxes increasing above inflation, increased utility charges and higher depreciation charges continued to impact negatively on cost management, but the percentage impact is much lower than in the prior year as very substantial increases were registered in the prior year creating a higher base for current year changes to be measured against.

The reduction in finance costs of R25.4 million (2020:R2.1 million increase) is attributable to the sharply reduced interest rates following upon the cuts to the repo rate during the COVID 19 pandemic.

Headline earnings per share increased to 71.32 cents per share (2020: 65.61 cents per share) representing an 8.7% increase (2020: 8.5% decrease). This improvement is attributable to Rand value increases in costs being contained at levels well below Rand increases in revenue, viz. an improvement in operating margins.

The financial position of the Group remains very strong. Investment property (which includes elements of plant and equipment and the operating lease asset) is carried at R9 billion (2020: R8.7 billion). Total property under control of the Group therefore increased by 3.4% year on year (2020: 5.8%).

The intangible asset attributable to the Mall @ Maputo has been wholly impaired due to continued delays in the commencement of the project. Notwithstanding this impairment, management continues to be optimistic about the project likely to be commenced when the worst effects of COVID 19 are past. Once developed, this impairment will be recovered which will feed into higher trading profits at the point the Mall@Maputo is opened.

Goodwill of R625.5 million (2020: R625.5 million) constitutes the premium paid by shareholders upon listing to acquire the cash generating unit of Anaprop (the CGU), housed in Southern Palace Investments 108 Proprietary Limited. Cash generation from the CGU's property management and asset management activities has been sustained since listing and as a result the goodwill has not been impaired.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate Annual Financial Statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group except for any further material changes resulting from COVID-19. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Directors' Report

2. Review of financial results and activities

At 28 February 2021, current liabilities exceeded current assets for the Group due to the expiry of the main Group facility in February 2021. The facility was supplemented with a new facilities secured over the Mall@Carnival held by Golden Falls Trading 125 Proprietary Limited agreed to in principle prior to year-end, the security for which were registered on 27 May 2021. Two Rand based facilities totalling R600 million have a 36 month maturity profile and a Euro facility of € 20 000 has a 12 month maturity profile. The facilities are secured by a bond over the Mall @ Carnival in the amount of R1.3 billion.

The use of net current liabilities, a proportion of which is interest free, to fund developments is Group practice where possible and has been used consistently in all years where developments are funded whilst limiting gearing to reduce finance and other costs.

The directors are satisfied that the Group's aforementioned borrowing facilities and cash generation capacity are adequate to continue in operational existence for the next 12 months, having conducted a review of the Group's cash flow forecast for the 12 months ending 30 June 2022.

Net asset value (NAV) per share increased from 1 789.43 cents per share (restated) to R1 795.40 (0.3%). In the prior year the NAV per share increased by 7.6%. NAV per share excluding deferred taxation for the year ended 28 February 2021 decreased by 0.1% (2020: 7.0% increase) from 2 167.54 cents (restated) in 2020 to 2 151.80 cents in 2021. Net asset value is used as measure for trading statement purposes.

3. Stated capital

Authorised	2021		2020	
	Number of shares		Number of shares	
Ordinary no par value shares	10 000 000		10 000 000	
Issued	2021	2020	2021	2020
	R '000	R '000	Number of shares	Number of shares
Ordinary no par value shares	3 979 956	3 979 956	393 383	393 383
Treasury shares	(12 738)	(12 341)	(25)	(25)
	3 967 218	3 967 615	393 358	393 358

Refer to note 16 for details of the movement in issued share capital.

4. Authority to buy back shares

At the last Annual General Meeting ("AGM") held on Thursday, 06 August 2020, shareholders gave the Company or any of its subsidiaries a general approval in terms of section 48 of the Companies Act of South Africa, by way of special resolution, for the acquisition of its own shares. As this general approval remains valid only until the next AGM, the shareholders will be asked at that meeting to consider a special resolution to renew this general authority until the next AGM.

A total of 95 827 (2020: 25 000) shares were repurchased at an average price of R4.14 per share during the current year in terms of this authority, bringing the total treasury shares held to 1 698 020.

5. Control over unissued shares

The unissued ordinary shares are the subject of a general authority granted to the directors in terms of section 38 of the Companies Act of South Africa. As this general authority remains valid only until the next AGM, the shareholders will be asked at that meeting to consider an ordinary resolution placing the said unissued ordinary shares, up to a maximum of 20% of the Company's issued share capital, under the control of the directors until the next AGM.

6. Proposed dividend

The board decided not to propose a dividend considering the capital funding requirements for the development pipeline in the foreseeable future as well as the impact on solvency and liquidity.

No dividend was declared for the year ending 28 February 2021. Prior year also had no dividend declaration.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Directors' Report

7. Insurance and risk management

The Group follows a policy of reviewing the risks relating to assets and possible liabilities arising from business transactions with its insurers on an annual basis. Wherever possible assets are automatically included. All risks pertaining to assets and substantial potential liabilities are considered to be adequately covered, except for political risks, in the case of which as much cover as is reasonably available has been arranged.

8. Directorate

The Directors in office at the date of this report are as follows:

Directors	Office	Designation	Nationality
K. Anastasiadis	Chief Executive Officer	Executive	Greek
P.D. Sekete	Director - Social and Ethics Committee Chair	Non-executive Independent	South African
M. Hlobo	Director - Audit and Risk Committee Chair	Non-executive Independent	South African
T.S.B. Jali	Chairperson and Remuneration Committee Chair	Non-executive Independent	South African
S. le Roux	Chief financial officer	Executive	South African
H.N Bila	Director (retired)	Non-executive Independent	South African
D.J Green	Chairperson (retired)	Non-executive Independent	South African

D.J Green and H.N Bila retired as directors at the AGM held on 6 August 2020.

9. Directors' interests in shares

As at 28 February 2021, the directors of the Company held direct and indirect beneficial interests in 75.79% of its issued ordinary shares, as set out below.

Interests in shares

	2021 Direct number of shares	2020 Direct number of shares	2021 Indirect number of shares	2020 Indirect number of shares
K. Anastasiadis	16 634	7 621 372	298 305 067	290 867 136
P.D. Sekete	-	-	523 995	523 995
T.S.B. Jali	-	-	500 694	500 694
	16 634	7 621 372	299 329 756	291 891 825

There has been no changes in beneficial interests that occurred between the end of the reporting period and the date of this report.

10. Directors' interests in contracts

Any substantial related party contracts entered into by the Group, are discussed and approved in principle at Board level without attendance of the relevant related director. During the 2020 financial year K Anastasi Project Proprietary Limited continued roadworks at Mall@55, finished revamping Mall@Emba, did structural repairs at some of the malls and took over the Acsiopolis development. The Acsiopolis project is still in progress in the 2021 financial year and construction cost of approximately R286 million was incurred. Refer to note 30 in the Annual Financial Statements for further detail regarding transactions with related parties.

11. Investment property and plant and equipment

During the year the Group increased its investment in investment property and plant and equipment by R648.4 million (2020: R303.0 million). Depreciation on plant and equipment of R32.3 million (2020: R53.9 million) was recorded for the period.

12. Borrowing powers

In terms of the Memorandum of Incorporation, the borrowing powers of the Group are unlimited. However all borrowings by the Group are subject to board approval as required by the board delegation of authority.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Directors' Report

13. Special resolutions

A general authority was given to the Board to repurchase shares in the Company subject to the requirements of the Companies Act 71 of 2008. This authority was given in terms of a special resolution passed at the AGM held on Thursday, 06 August 2020.

Other special resolutions passed at the last Annual General Meeting included:

- **The approval of non-executive directors' remuneration in terms of section 66 of the Companies Act**
The non-executive directors' fees were approved.
- **The approval of financial assistance to related and inter-related parties in accordance with section 45 of the Companies Act**
The special resolution was approved. Financial assistance was granted only to Group companies throughout the year either to complete construction of investment properties, enhancing of investment properties or the managing of cash resources across the Group. There was no financial assistance to any Director of the Group during the financial year.
- **Acquisition of ordinary shares issued by the company i.t.o section S46 and 48 of the companies act**
The special resolution was approved to enable the company and its subsidiary to participate in share repurchase transactions.
- **Authority to issue shares to directors who elect dividend reinvestment options**
The special resolution was approved to provide this option for persons contemplated in terms of S 41(1) of the Companies Act.

14. Events after the reporting period

The Directors are not aware of any other material event which occurred after the reporting date and up to the date of this report except for settling old facility with Standard Bank valued at R700 million and replacing it with a new facility providing approximately R600 million and Euro 20 million.

Subsequent to year-end 8 million Acsion shares were repurchased by one of the Group subsidiaries at R4 per share from the Papas Trust.

Intergroup dividends of R200 million have been declared to Acsion Limited during March 2021 by subsidiary companies.

15. Going concern

The directors believe that the Group and Company has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate Annual Financial Statements have been prepared on a going concern basis. The directors have satisfied themselves that the Group and Company is in a sound financial position and that it will have access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group and Company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group and Company.

The directors are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the next 12 months after a review of the Group's cash flow forecast for the 12 months ending 30 June 2022 and the current financial position. For the year ended 28 February 2021, the current liabilities exceed the current assets for the Group mostly due to the expiry of the main Group facility currently secured over Proc Corp 160 Proprietary Limited at end of May 2021. A new facility of approximately R963 million has been secured over Golden Falls 125 Proprietary Limited (a subsidiary within the Group) to replace the expiring facility. Information on the terms and conditions of the facility as well as the assessment of Group liquidity is discussed in note 32.

On a Company level the current liabilities also exceed the current assets at 28 February 2021 and for that reason a letter of support has been obtained from Southern Palace Investments 108 Proprietary Limited, the management and local treasury company within the Group. Refer note 11.

16. Litigation statement

The Group becomes involved from time to time in various claims and lawsuits incidental to the ordinary course of business.

In the current year, insurance claims in the region of R80 million were lodged with the group insurers to claim for losses due to COVID-19 lockdowns. The outcome and final claim amount are unsure and therefore not accounted for.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Directors' Report

17. Auditors

RSM South Africa Inc. has been appointed as auditors of the Group for 2021.

18. Secretary

The company secretary is Mr Michael Reynolds of MWRK Accountants and Auditors Incorporated.

Business address: 19 Edward Street
Westdene
Benoni
1501

19. Registered and postal address

Registered address: Anaprop Offices
Mall@Reds
Cnr Hendrik Verwoerd Drive
and Rooihuiskraal Drive
Centurion
0157

Postal address: PO Box 569
Wierda Park
0149

Acscion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acscion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Statement of Financial Position as at 28 February 2021

		Group			Company		
Figures in Rand thousand	Note(s)	2021	2020 Restated	2019 Restated	2021	2020 Restated	2019 Restated
Assets							
Non-Current Assets							
Investment property	3	8 242 773	7 854 029	7 409 903	-	-	-
Property, plant and equipment	4	645 639	747 674	671 533	-	-	-
Operating lease asset	5	118 924	132 470	143 641	-	-	-
Goodwill	7	625 464	625 464	625 464	-	-	-
Intangible development project asset	8	165	165	165	-	-	-
Investments in subsidiaries	9	-	-	-	3 607 825	3 683 562	3 683 562
Investments in associates		-	-	1 541	-	-	-
Other financial assets	10	539	5 432	5 432	-	-	-
Deferred tax	17	3 415	2 032	1 745	18 854	-	-
		9 636 919	9 367 266	8 859 424	3 626 679	3 683 562	3 683 562
Current Assets							
Operating lease asset	5	25 097	23 279	13 144	-	-	-
Current tax receivable		1 124	2 213	2 504	-	194	194
Group company loans	11	-	-	1 699	325 232	325 232	483 613
Inventories	13	39 592	-	-	-	-	-
Trade and other receivables	14	60 814	26 220	72 010	-	4 560	4 582
Shareholder loans	12	-	4 053	4 053	-	-	-
Cash and cash equivalents	15	65 623	223 080	74 612	12 794	20 695	109
		192 250	278 845	168 022	338 026	350 681	488 498
Total Assets		9 829 169	9 646 111	9 027 446	3 964 705	4 034 243	4 172 060
Equity and Liabilities							
Equity							
Stated capital	16	3 967 218	3 967 615	3 968 078	3 979 956	3 979 956	3 979 956
Reserves		18 461	19 940	3 713	-	-	-
Retained income / (Accumulated loss)		3 074 942	3 051 311	2 565 888	(441 897)	(374 135)	(373 508)
Equity Attributable to Equity Holders of Parent		7 060 621	7 038 866	6 537 679	3 538 059	3 605 821	3 606 448
Non-controlling interest	36	105 099	61 045	55 565	-	-	-
		7 165 720	7 099 911	6 593 244	3 538 059	3 605 821	3 606 448
Liabilities							
Non-Current Liabilities							
Deferred taxation	17	1 405 000	1 489 340	1 431 123	-	-	-
Other financial liabilities	18	28 969	48 928	630 004	-	-	560 573
Right-of-use lease liability	19	232 667	219 986	209 588	-	-	-
		1 666 636	1 758 254	2 270 715	-	-	560 573
Current Liabilities							
Shareholder loans	12	4 142	3 280	3 151	-	-	-
Other financial liabilities	18	689 147	583 732	23 453	-	407	-
Right-of-use lease liability	19	4 077	7 301	-	-	-	-
Provisions		6 564	4 529	3 767	-	-	-
Trade and other payables	20	264 670	186 020	128 270	2 550	1 110	4 940
Current tax payable		28 207	3 078	4 747	-	-	-
Group company loans	11	-	-	-	424 090	426 899	-
Dividend payable		6	6	99	6	6	99
		996 813	787 946	163 487	426 646	428 422	5 039
Total Liabilities		2 663 449	2 546 200	2 434 202	426 646	428 422	565 612
Total Equity and Liabilities		9 829 169	9 646 111	9 027 446	3 964 705	4 034 243	4 172 060

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Statement of Profit or Loss and Other Comprehensive Income

Figures in Rand thousand	Note(s)	Group		Company	
		2021	2020 Restated	2021	2020 Restated
Revenue, excluding straight-line lease adjustment		709 039	688 007	7 143	8 639
Straight-line lease adjustment		(11 730)	(1 034)	-	-
Revenue from tenants and customers	21	697 309	686 973	7 143	8 639
Interest revenue	24	-	-	(3 531)	46 787
Other income	22	1 877	2 329	-	-
Expected credit loss allowance	14	(71 952)	(1 693)	-	-
Operating expenses		(327 655)	(296 431)	(90 019)	(9 605)
Finance costs	25	-	-	(17)	(46 448)
Operating profit / (loss)	23	299 579	391 178	(86 424)	(627)
Investment income	24	7 586	14 171	-	-
Finance costs	25	(38 405)	(63 765)	-	-
Foreign exchange gains		14 641	7 429	-	-
Fair value changes	3	(181 259)	304 606	-	-
Profit / (loss) before taxation		102 142	653 619	(86 424)	(627)
Taxation	26	(34 457)	(162 716)	18 660	-
Profit / (loss) for the year		67 685	490 903	(67 764)	(627)
Other comprehensive income:					
Items that will not be reclassified to profit or loss:					
Losses attributable to owner occupied hotel property revaluations		(28 508)	(1 839)	-	-
Taxation attributable to revaluation changes		25 240	412	-	-
Total items that will not be reclassified to profit or loss		(3 268)	(1 427)	-	-
Items that may be reclassified to profit or loss:					
Foreign exchange gains from translation differences attributable to foreign operations		1 790	17 653	-	-
Other comprehensive income for the year net of taxation		(1 478)	16 226	-	-
Total comprehensive income / (loss) for the year		66 207	507 129	(67 764)	(627)
Profit / (loss) attributable to:					
Owners of the parent		23 631	485 423	(67 764)	(627)
Non-controlling interest		44 054	5 480	-	-
		67 685	490 903	(67 764)	(627)
Total comprehensive income / (loss) attributable to:					
Owners of the parent		22 153	501 649	(67 764)	(627)
Non-controlling interest		44 054	5 480	-	-
		66 207	507 129	(67 764)	(627)
Earnings per share					
Basic earnings per share (cents)	27	6,01	123,40	-	-
Diluted earnings per share (cents)	27	6,01	123,40	-	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

	Stated capital	Treasury shares	Total share capital	Foreign currency translation reserve	Revaluation reserve	Retained income	Total attributable to equity holders of the group / company	Non-controlling interest	Total equity
Figures in Rand thousand									
Group									
Balance at 1 March 2019 as previously reported	3 979 956	(11 878)	3 968 078	(982)	23 549	2 828 881	6 819 526	55 565	6 875 091
Prior year errors (Note 38)	-	-	-	-	(18 854)	(262 993)	(281 847)	-	(281 847)
Balance at 28 February 2019 restated	3 979 956	(11 878)	3 968 078	(982)	4 695	2 565 888	6 537 679	55 565	6 593 244
Profit for the year	-	-	-	-	(1 427)	485 423	483 996	5 480	489 476
Treasury share movements	-	(463)	(463)	-	-	-	(463)	-	(463)
Foreign currency translation	-	-	-	17 654	-	-	17 654	-	17 654
Balance at 28 February 2020 restated	3 979 956	(12 341)	3 967 615	16 671	3 268	3 051 311	7 038 865	61 045	7 099 910
Profit for the year	-	-	-	-	(3 268)	23 631	20 363	44 054	64 417
Treasury share movements	-	(397)	(397)	-	-	-	(397)	-	(397)
Foreign currency translation	-	-	-	1 790	-	-	1 790	-	1 790
Balance at 28 February 2021	3 979 956	(12 738)	3 967 218	18 461	-	3 074 942	7 060 621	105 099	7 165 720
Note(s)	16	16	16	Note 1	Note 2				

Note 1: This reserve relates to the translation difference recognised in OCI for the translation of foreign operations into the presentation currency.

Note 2: The revaluation reserve represents the annual revaluation of the hotel less deferred tax at the use rate.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Statement of Changes in Equity

	Stated capital	Treasury shares	Total share capital	Foreign currency translation reserve	Revaluation reserve	Accumulated loss	Total attributable to equity holders of the company	Non-controlling interest	Total equity
Figures in Rand thousand									
Company									
Balance at 1 March 2019 as previously reported	3 979 956	-	3 979 956	-	-	(146 388)	3 833 568	-	3 833 568
Prior year error (Note 38)	-	-	-	-	-	(227 120)	(227 120)	-	(227 120)
Balance at 28 February 2019 restated	3 979 956	-	3 979 956	-	-	(373 508)	3 606 448	-	3 606 448
Loss for the year	-	-	-	-	-	(627)	(627)	-	(627)
Balance at 28 February 2020 restated	3 979 956	-	3 979 956	-	-	(374 133)	3 605 823	-	3 605 823
Loss for the year	-	-	-	-	-	(67 764)	(67 764)	-	(67 764)
Balance at 28 February 2021	3 979 956	-	3 979 956	-	-	(441 897)	3 538 059	-	3 538 059
Note(s)	16	16	16						

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Statement of Cash Flows

		Group		Company	
Figures in Rand thousand	Note(s)	2021	2020	2021	2020
Cash flows from operating activities					
Cash generated by / (used in) operations	28	504 703	533 304	(1 136)	(4 774)
Investment income received		14 753	12 974	(3 531)	46 787
Dividend received		-	1 199	-	-
Finance costs paid		(40 912)	(58 990)	(17)	(46 448)
Taxation paid	37	(71 776)	(106 034)	-	-
Net cash generated from / (used in) operating activities		406 768	382 453	(4 684)	(4 435)
Cash flows from investing activities					
Purchase of property, plant and equipment	4	(52 367)	(13 502)	-	-
Investment property development costs	3	(596 004)	(248 986)	-	-
Investment property sales	3	6 947	-	-	-
Insurance guarantee proceeds		-	55 857	-	-
Net cash used in investing activities		(641 424)	(206 631)	-	-
Cash flows from financing activities					
Treasury shares purchased	16	(397)	(180)	-	-
Financial liabilities raised		103 738	564 245	-	-
Financial liabilities repaid		(18 281)	(585 042)	(407)	(560 166)
Proceeds of loans from shareholders		-	-	(2 810)	-
Dividends paid		-	(93)	-	(93)
Finance lease payments - right-of-use liability		(6 824)	(4 778)	-	-
Associated company loans repaid		-	1 699	-	585 280
Net cash (used in) / from financing activities		78 236	(24 149)	(3 217)	25 021
Total cash movement for the year		(156 420)	151 673	(7 901)	20 586
Cash at the beginning of the year		223 080	74 612	20 695	109
Effect of exchange rate movement on cash balances		(1 037)	(3 205)	-	-
Total cash at end of the year	15	65 623	223 080	12 794	20 695

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

Corporate information

Acsion Limited is a public company and with its subsidiaries incorporated and domiciled in South Africa.

The consolidated and separate annual financial statements for the year ended 28 February 2021 were authorised for issue in accordance with a resolution of the directors on Wednesday, 30 June 2021.

1. Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate Annual Financial Statements are set out below.

1.1 Statement of compliance

The consolidated and separate Annual Financial Statements for the year ended 28 February 2021, have been prepared by Malander Proprietary Limited under the supervision of S le Roux CA(SA), Financial Director of Acsion Limited ("Acsion"). The principal accounting policies of Acsion and its subsidiaries ("the Group") as well as the disclosures made in the consolidated and separate Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and the South African Institute of Chartered Accountants ("SAICA") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by Financial Reporting Standards Council and the Companies Act, 71 of 2008 ("Companies Act") applicable to companies reporting in terms of IFRS and the JSE Listings Requirements.

1.2 Basis of measurement

The consolidated and separate Annual Financial Statements have been prepared on the historical cost and fair value basis. The consolidated and separate Annual Financial Statements are presented in South African Rands, which is the Group and Company's functional and presentation currency.

The consolidated and separate Annual Financial Statements have been prepared on the going concern basis.

The preparation of the consolidated and separate Annual Financial Statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate Annual Financial Statements, are disclosed in note 1.5.

These accounting policies are consistent with the previous year.

1.3 Consolidation

Basis of consolidation

The consolidated Annual Financial Statements incorporate the financial results of the Company and all subsidiaries and associates up to and including 28 February 2021.

Non-controlling interest

Non-controlling interests in the net assets of consolidated subsidiaries are identified and recognised separately from the Group's interest therein, and are recognised within equity. Losses of subsidiaries attributable to non-controlling interests are allocated to the non-controlling interest even if this results in a negative balance being recognised for non-controlling interests.

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions and are recognised directly in the Statement of Changes in Equity.

Non-controlling interests are measured at the proportionate share of the interest in the subsidiary's identifiable net assets at acquisition date and adjusted in the same proportion to the profit and losses for the period ended on each subsequent reporting date.

The difference between the fair value of consideration paid or received and the movement in non-controlling interests for such transactions is recognised in equity attributable to the owners of the Company.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.3 Consolidation (continued)

Where a subsidiary is disposed of and a non-controlling shareholding is retained, the remaining investment is measured at fair value with the adjustment to fair value recognised in profit or loss as part of the gain or loss on disposal of the controlling interest. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Goodwill

Goodwill is determined as the fair value of consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interests less the fair value of the identifiable assets and liabilities of the acquiree. If, in the case of a bargain purchase, the result of this formula is negative, then the difference is recognised directly in profit or loss.

Goodwill is subsequently measured at cost less accumulated impairment losses. For the purposes of impairment testing, goodwill acquired in a business combination is allocated to a cash-generating unit ("CGU") that is expected to benefit from the synergies of the combination. Each unit to which the goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes.

Goodwill is not amortised but is tested on an annual basis for impairment or more frequently if events or changes in circumstances indicate a potential impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

1.4 Investment in subsidiaries

Investments in subsidiaries are carried at cost less any accumulated impairment losses. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are entities (including structured entities) which are controlled by the Group. The Group has control of an entity when it is exposed to or has rights to variable returns from involvement with the entity and it has the ability to affect those returns through use of its power over the entity.

The results of subsidiaries are included in the consolidated Annual Financial Statements from the effective date of acquisition to the effective date of disposal.

Inter-company loan balances are measured at amortised cost under the IFRS 9 business model assessment.

All inter-company transactions, balances, and unrealised gains on transactions between Group companies are eliminated in full on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group ceases to have control, any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in other comprehensive income. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities.

1.5 Significant judgements and sources of estimation uncertainty

The preparation of consolidated and separate Annual Financial Statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and liabilities. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. 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 and in any future periods affected.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Critical judgements in applying accounting policies

The critical judgements made by management in applying accounting policies, apart from those involving estimations, that have the most significant effect on the amounts recognised in the financial statements, are outlined as follows:

Key sources of estimation uncertainty

Investment property fair value estimation

The investment property is not traded in an active market and as such the fair value is determined by using valuation techniques. The Group uses a number of methods and makes assumptions based on existing market conditions at reporting year end.

The fair values of the investment properties were determined partially by an independent external valuer and partially by the directors. Management is therefore of the opinion that any risk relating to estimation uncertainty regarding the fair valuation of the investment properties is mitigated. Refer to accounting policy 1.6 and note 3 detailing investment property for a summary of valuation techniques applied.

Right of use asset (judgement)

The land lease relating to the development in Cyprus is for a period of 33 years with the option to renew in 33 year increments twice. Information has been prepared on the basis of 33 years only with no options to renew exercised.

Impairment testing of goodwill (estimation)

The Group reviews and tests the carrying value of goodwill annually for impairment. Assessing whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the CGU and an appropriate discount rate in order to calculate present value.

Value in use is calculated as the net present value of future cash flows derived from assets using cash flow projections which have been discounted at appropriate discount rates. To calculate the net present value of the future cash flows, assumptions need to be made regarding uncertain matters. This includes the directors' expectation of the future cash flows used as an input in the discounted cash flow valuation, a long term growth rate and the appropriate growth rate that would reflect the risks involved. Refer to note 7 for the parameters used in the determination of the appropriate discount rate.

Recognition and impairment of intangible development project asset (judgement and estimation)

Intangible assets are initially recognised at cost and subsequently measured at fair value. Intangible assets are tested for impairment annually or when there are indicators that the intangible assets may be impaired. Intangible assets originated during the forming of the Group.

Intangible assets are assessed for impairment by fair valuing the cash flows of the developments it relates to. The cash flows are determined based on the directors' best estimate of income that will be obtained and assumptions regarding the operating costs associated with the development with reference to the Group's existing developments. Discount rates are adjusted to compensate for risk associated with the uncompleted development. If the fair value of the development is lower than the carrying amount of the intangible asset, the intangible asset is impaired to the fair value estimate of the development and is accounted for in profit and loss. In the current year, the assets were fully impaired with retrospective effect.

Refer to note 8 for the parameters used in the determination of the appropriate discount rate.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.5 Significant judgements and sources of estimation uncertainty (continued)

Deferred tax rate change (judgement)

During the budget speech on 24 February 2021, the Minister of Finance proposed a reduction of the company tax rate to 27% for companies with years of assessment commencing on or after 1 April 2022. Based on a position taken by SAICA's Accounting Practices Committee (APC) it was concluded that due to a significant degree of uncertainty as to whether this would be substantively enacted in future, no changes would be made to historical deferred taxes raised and 28% was used for the 2021 financial year as the deferred tax rate.

Classification of investment property as inventory or property, plant and equipment (judgement)

Consistent with prior years, the hotel has continued to be classified as owner occupied in the Group accounts as it is the intention of the Group to use the hotel rather than to sell or rent.

During the current year, management's intention for the Hyde Park Terrace investment (housed in Bengavista) changed to sale. Consequently, this property is now treated as inventory.

1.6 Fair value measurement

The Group measures investment properties at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Fair value for measurement and/or disclosure purposes in these financial statements is determined on the above basis, except for leasing transactions that are within the scope of IFRS 16: Leases, and the measurements that have some similarities to fair value but are not fair value, such as value in use in IAS 36: Impairment of Assets.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities; or
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between the levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

1.7 Investment property

Initial measurement

Investment property is initially recognised at cost, including transaction costs. Initial costs include property and equipment ("i.e. leased property installations") and operating lease assets as contained in notes 4 and 5 respectively. Refer to note 6 for all significant components of investment property.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.7 Investment property (continued)

The cost of tenant installations is capitalised and then expensed through the statement of comprehensive income over the initial lease period. The cost of investment property equipment, fixtures and fittings is capitalised and expensed through the statement of profit or loss over a period of 5-6 years.

Transfers to, or from, investment property shall be made when, and only when, there is a change in use, evidenced by:

- commencement of owner-occupation, for a transfer from investment property to owner-occupied property;
- commencement of development with a view to sale, for a transfer from investment property to inventories;
- end of owner-occupation, for a transfer from owner-occupied property to investment property; or
- commencement of an operating lease to another party, for a transfer from inventories to investment property.

Subsequent measurement

Subsequent to initial measurement investment property is measured at fair value.

A gain or loss arising from a change in fair value is included in net profit or loss for the period in which it arises.

For completed investment property the Group measures investment property at fair value at each reporting date.

For investment property under construction, for which cash flows cannot be reliably estimated as at financial year end, alternative factors that are deemed appropriate by management are taken into consideration when performing the valuation. Management is of the opinion that a cash flow based valuation will only be considered when the development is more than 25% constructed and less than a year away from opening. Properties falling into this category are generally valued at a market value of land plus any development cost incurred to date. As soon as the quantum and timing of cash flows related to the development can reasonably be determined, a discounted cash flow valuation is performed.

If the fair value of an investment property under construction is not reliably determinable, but expectations are that the fair value of the property will be reliably determinable when construction is complete, it measures that investment property under construction at cost until either its fair value becomes reliably determinable or construction is completed.

The Group uses discounted cash flow or income capitalisation valuation techniques when fair valuing all other investment property.

External valuers are involved in the valuation of a selection of investment properties within the Group. Involvement of the external valuers is decided upon annually by the directors after discussion with and approval by the Group's audit and risk committee. The selection criteria for selecting an external valuer, include market knowledge, reputation, independence and whether professional standards are maintained. After discussions with the appointed external valuers, the directors assess the reasonableness of the inputs used in the discounted cash flow model for the investment properties.

Investment property (note 3), plant and equipment relating to leased property installations (note 4) and operating lease assets (note 5), which cumulatively equal the valuation by the internal or independent valuer forms the value of investment property as a whole as plant and equipment relating to leased tenant installations and operating lease asset forms an integral part of investment property although separately disclosed. The value of investment property is therefore the cumulative value of the amount disclosed in notes 3, 4 and 5 as disclosed in note 6.

Plant and equipment relating to leased property installations (note 4) is generally depreciated over the shorter of the lease term or period of use. Such installations generally relate to shop fitouts or an allowance paid to the tenant towards shop fitouts to make the development more attractive to its customer base.

Derecognition

An investment property shall be derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property shall be determined as the difference between the net disposal proceeds and the carrying amount of the asset and shall be recognised in profit or loss in the period of the retirement or disposal.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.8 Property, plant and equipment

Initial measurement

Plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets where appropriate.

Investment property rented to a parent, subsidiary, or fellow subsidiary is considered to be owner occupied from a Group perspective and is disclosed as property, plant and equipment. Such an asset is carried at a revalued amount, being its fair value at the date of revaluation less subsequent depreciation and impairment, provided that fair value can be measured reliably (revaluation model).

When an asset is transferred from investment property, it is measured at fair value.

Subsequent measurement

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the Group. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Hotel	Straight line	20 years
Leased property installations	Straight line	3-10 years (Lease period)
Plant and equipment	Straight line	5-6 years
Furniture and fixtures	Straight line	5-6 years
Motor vehicles	Straight line	5 years
Computer software	Straight line	3 years
Investment property, equipment and fixtures	Straight line	5-6 years

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting year. If the expectations differ from previous estimates, the change is accounted for prospectively as a change in accounting estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each year is recognised in profit or loss unless it is included in the carrying amount of another asset.

The hotel continues to be constructed. The expected completion date is late 2021 or early 2022. As the hotel has not been brought into use, no depreciation has been charged.

Impairment tests are performed on property, plant and equipment when there is an indicator that they may be impaired. When the carrying amount of an item of property, plant and equipment is assessed to be higher than the estimated recoverable amount, an impairment loss is recognised immediately in profit or loss to bring the carrying amount in line with the recoverable amount.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.8 Property, plant and equipment (continued)

Under the revaluation model, revaluations should be carried out regularly, so that the carrying amount of an asset does not differ materially from its fair value at the date of the statement of financial position.

If an item is revalued, the entire class of assets to which that asset belongs should be revalued. Revalued assets are depreciated in the same way as under the cost model.

If a revaluation results in an increase in value, it should be credited to other comprehensive income and accumulated in equity under the heading "revaluation reserve" unless it represents the reversal of a revaluation decrease of the same asset previously recognised as an expense, in which case it should be recognised in profit or loss.

A decrease arising as a result of a revaluation should be recognised as an expense to the extent that it exceeds any amount previously credited to the revaluation surplus relating to the same asset.

Derecognition and disposal

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its continued use or disposal. Any gain or loss arising from the derecognition of an item of property, plant and equipment, determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, is included in profit or loss when the item is derecognised.

When a revalued asset is disposed of, any revaluation surplus may be transferred directly to retained earnings, or it may be left in equity under the heading revaluation surplus. The transfer to retained earnings is not made through profit or loss.

1.9 Financial instruments

Recognition and off-setting

Financial instruments are recognised in the statement of financial position when the Group becomes party to the contractual provisions of the instrument. Any gains or losses on these instruments do not affect distributable earnings. Financial assets and liabilities are initially measured at cost plus any transaction costs (other than financial instruments that are classified at fair value through profit or loss where the transaction costs incurred are immediately expensed in profit or loss). Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, financial assets at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. Financial assets at fair value through profit or loss are measured at fair value, with any gains or losses arising on re-measurement recognised in profit or loss.

The business model of the Group is to collect contractual cash flows on the financial assets in which it invests, which includes working capital balances such as cash and receivables.

The financial assets of the Group are classified as follows:

- Trade and other receivables are classified at amortised cost, as they give rise to solely payments of principal and interest on the principal amount outstanding.
- Other financial assets are classified either at fair value through profit or loss, or amortised cost.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.9 Financial instruments (continued)

The Group derecognises a financial asset when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. If the Group neither transfers nor retains substantially all the 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. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability. Purchases and sales of financial assets are accounted for at trade date being the date that the Group commits itself to purchase or sell the asset.

Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition. Financial liabilities at fair value through profit or loss include all instruments classified as held-for-trading and those instruments designated as held at fair value through profit or loss. These instruments are initially recorded at fair value with changes in fair value subsequently recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The financial liabilities of the Group are classified as follows:

- Interest-bearing borrowings are classified at amortised cost.
- Trade and other payables are classified at amortised cost using the effective interest method.
- Other financial liabilities are classified either at fair value through profit or loss or in consideration of the nature of the transaction.

The Group derecognises a financial liability when the Group's obligations specified in the contract expire or are discharged or cancelled. If the Group neither transfers nor retains substantially all the 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.

Impairment of financial instruments

The Group applies the IFRS 9 expected credit loss (ECL) impairment model which allows for more timely recognition of credit losses. This is applied to financial assets measured at amortized cost. The ECL model separates the assessment for impairment requirements into 3 stages:

- (1) On origination of the financial instrument, 12 month ECLs are recognised.
- (2) If the credit risk increases significantly and resulting credit quality is not considered low risk, full lifetime ECLs are recognised.
- (3) If the credit risk increases and the asset is considered impaired, full lifetime ECLs are recognised, as in stage 2.

An impairment loss is calculated as the difference between the asset's carrying value and the present value of the estimated future cash inflows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss and reflected in an allowance account against financial assets. When a subsequent event causes the amount of the impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.10 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the at the end of each reporting period.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.10 Tax (continued)

Deferred tax assets and liabilities

Deferred tax is provided using the financial position statement method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

A deferred tax liability is recognised for all taxable temporary differences, except

- To the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.
- In respect of taxable temporary differences associated with investments in subsidiaries and associates, when 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.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised:

- When it arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.
- In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which the unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the at the end of each reporting period.

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

Deferred tax on investment property at fair value model are presumed to recover through the sale of the investment properties.

Income tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, in other comprehensive income, or
- items that are credited or charged, in the same period or a different period, directly in equity then the tax is also recognised in other comprehensive income or charged or credited directly to equity respectively.

1.11 Leases

Lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.11 Leases (continued)

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group also recognises loss allowances for ECLs on lease receivables in terms of IFRS 9, which are disclosed as part of trade and other receivables.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'revenue' irrespective of the fact that income is charged based on contractual terms.

Lessee

To the extent that a right-of-control exists over an asset subject to a lease, with a lease term exceeding one year, a right-of-use asset, representing the Group's right to use the underlying leased asset, and a right of use lease liability, representing the Group's obligation to make lease payments, are recognised in the consolidated and separate statements of financial position at the commencement of the lease.

The right-of-use asset is measured initially at cost and includes the amount of initial measurement of the lease liability, any initial direct costs incurred, including advance lease payments, and an estimate of the dismantling, removal and restoration costs required in terms of the lease. Depreciation is charged to profit and loss so as to depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the right-of-use asset meets the definition of Investment Property, it is dealt with in terms of accounting policy 1.5 & 1.6. The lease term shall include the period of an extension option where it is reasonably certain that the option will be exercised. Where the lease contains a purchase option the asset is written off over the useful life of the asset when it is reasonably certain that the purchase option will be exercised.

The right of use lease liability is measured at the present value of the future lease payments, including variable lease payments that depend on an index and the exercise price of purchase options where it is reasonably certain that the option will be exercised, discounted using the interest rate implicit in the lease, if readily determinable. If the rate cannot be readily determined, the lessee's incremental borrowing rate is used. Finance charges are recognised in profit and loss over the period of the lease.

Lease expenses for leases with a duration of one year or less and low-value assets are charged to profit and loss when incurred. Low-value assets are determined based on qualitative and quantitative criteria.

1.12 Inventories

When management has the intent is to sell investment properties owned, such property is held as inventories. Any change in intention to sell properties held as investment property will result in such properties being transferred to inventory at fair value. Subsequently, such items are carried at the lower of cost and net realisable value. When a property is sold, a profit or loss is recognised in profit and loss when transfer of ownership occurs.

1.13 Impairment of assets

The Group assesses at the end of each reporting period whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill for impairment annually.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

Acision Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acision Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.13 Impairment of assets (continued)

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss.

An entity assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amounts of those assets are estimated.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation other than goodwill is recognised immediately in profit or loss.

1.14 Provisions and contingencies

A provision is recognised when:

- the Group has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

Provisions are recognised at the present value of expenditure required to settle the obligation.

Provisions are not recognised for future operating losses.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 29.

1.15 Revenue from contracts with customers

Revenue from the letting of investment property comprises gross rental income and recoveries of fixed operating costs, net of value added tax. Rental income is recognised in profit or loss on a straight-line basis over the term of the lease. Any doubt about whether the Group is entitled, legally, to charge rent, for example where COVID-19 country rules prevented tenants from having free access to their premises, is ignored when determining the amount of rental income to be recognised. To the extent there is such doubt, an expense is recognised which is included in the expected credit loss expense. Recoveries of costs from lessees, are separately disclosed under revenue in the "utility cost recovery" line and the associated costs are disclosed under operating expenditure.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Where revenue is recognised over time in accordance with the performance obligation over that time, the Group applies a revenue recognition method that faithfully depicts the Group's performance in transferring control of the service to the customer. Due to the nature of the Group's business, the majority of its revenue from customers is considered to be recognised 'over time'.

If performance obligations in a contract do not meet the over time criteria, the Group recognises revenue at a point in time. Revenue from hotel operation sales is included in this category. This is in general due to the Group performing and the customer simultaneously receiving and consuming the benefits over the life of the contract as services are rendered.

For each, revenue is measured based on the consideration specified in contracts with customers. Such amounts are only included based on the expected value or most likely outcome method, and only to the extent that it is highly probable that no significant revenue reversal will occur. In assessing whether a significant reversal will occur, the Group considers both the likelihood and the magnitude of the potential revenue reversal.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.15 Revenue from contracts with customers (continued)

Details related to the nature and measurement of revenue are set out below:

Revenue	Description	Nature, timing of satisfaction of performance obligations and measurements
Rental income (Operating leases)	Charging tenants for rental of premises as well as operating costs related to tenancy.	Income is recognised on a straight-line basis over the lease contract term.
Management fee (Company)	Fee recovery in relation to head office charges paid and to be recovered from subsidiaries.	Recoveries are recognised when costs are on-billed on an invoice basis.
Municipal recoveries	Recovering operating costs, such as utilities, from tenants.	Utility recoveries are recognised over the period for which the services are rendered.

1.16 Other income and revenue

Interest raised on arrear tenant accounts is recognised in profit or loss using the effective interest rate method.

Other income consists mainly of administration fees and early lease cancellation fees as well as certain cost recoveries. Other income is recognised in profit and loss. Other income is recognised in terms of the lease agreements which states that administration fees can be charged to the tenant immediately when payment of rental is overdue and early lease cancellations fees can be charged to the tenant upon early cancellation.

1.17 Employee benefits

Short-term employee benefits

The cost of short-term employee benefits includes salaries and bonuses and other payments which will be paid within 12 months. The cost of the employee benefits are recognised in the period the employee rendered the services.

Employee benefits are recognised at cost. The accrual of annual leave represents the liability the Group has at year end for unclaimed benefits accrued to the employee.

1.18 Treasury shares

Treasury shares are held as other financial assets and are initially recognised at cost and subsequently measured at fair value. Treasury shares are acquired by the managing agent of the Group and reflected as cancelled on consolidation to reflect the shares in issue held by external shareholders.

Fair value measurement takes place at the end of each reporting period and is based on the closing share price.

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition and construction of investment property are capitalised as part of the cost of that asset until such time as the investment property is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as actual borrowing costs on funds specifically borrowed for the purpose of obtaining the investment property less any income from the temporary investment of those borrowings.

The capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred;
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted.

Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.19 Borrowing costs (continued)

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.20 Translation of foreign currencies

Functional and presentation currency

Items included in the consolidated and separate Annual Financial Statements of each of the Group entities are measured using the currency of the primary economic environment in which the entity operates (functional currency).

The consolidated and separate Annual Financial Statements are presented in Rand which is the Group functional and presentation currency.

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying the average exchange rates for the month in which they occur where these approximate the rates on the dates of the underlying transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate on reporting date;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous consolidated and separate Annual Financial Statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income, any exchange component of that gain or loss is recognised and accumulated in equity. When a gain or loss on a non-monetary item occurs, it is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Rands by applying to the foreign currency amount the exchange rate between the Rand and the foreign currency at the date of the cash flow.

Foreign currency translation reserve (foreign operations)

The assets and liabilities of foreign operations that have a functional currency different from the presentation currency, including fair value adjustments, are translated to the Group's presentation currency (Rand) at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rand at exchange rates at the dates of the transactions (an average rate per month is used). Foreign currency differences on translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve, except to the extent that the translation difference is allocated to non-controlling interest.

When the Group disposes of only part of its interest in a subsidiary that includes foreign operations while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. If control is not retained, the cumulative amount is reclassified from equity to profit or loss as a reclassification adjustment.

1.21 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank, in hand and short-term deposits, with an original maturity of three months or less, which are repayable on demand.

For purposes of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank overdrafts.

Cash and cash equivalents and both initially and subsequently measured at amortised cost.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Accounting Policies

1.22 Earnings per share

The Group presents basic and diluted earnings per share and headline earnings per share and diluted headline earnings per share for its ordinary shares.

Basic earnings per share are calculated by dividing the profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share are determined by adjusting the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

Headline earnings per share are calculated by dividing headline earnings attributable to ordinary shareholders of the Company by the weighted number of ordinary shares outstanding during the period. Diluted headline earnings per share are determined by adjusting the weighted average number of ordinary shares outstanding for the effects of dilutive potential ordinary shares which comprise share options granted to employees.

There are no dilutive effects on earnings per share or headline earnings per share.

1.23 Stated capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction net of tax from the proceeds.

Repurchase and reissue of shares (treasury shares)

When the share capital recognised as equity is repurchased, the amount of consideration paid, which includes directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a reduction of share capital.

When treasury shares are sold or reissued subsequently, the amount received is as an increase in equity and the resulting surplus or deficit on the transaction is presented as stated capital.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Group has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Impact:
• IFRS 3 Definition of business: The amendments	01 January 2020	No material impact
• IAS 1 Amendments to references to the Conceptual Framework and new Materiality definition	01 January 2020	No material impact
• IAS 8 - Accounting Policies. Changes in Accounting Estimates and Errors: Disclosure initiative	01 January 2020	No material impact

2.2 Standards and interpretations not yet effective

The Group has chosen not to early adopt the following standards and interpretations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current	01 January 2023	Unlikely there will be a material impact
• IAS 1 Presentation of Financial Statements - Disclosure of accounting policies	01 January 2023	Unlikely there will be a material impact
• IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates	01 January 2023	Unlikely there will be a material impact
• IAS 16 Property, Plant and Equipment - Proceeds before intended use	01 January 2022	Unlikely there will be a material impact
• IFRS 3 - Reference to the conceptual framework	01 January 2022	Unlikely there will be a material impact
• IFRS 16 - COVID-19 Related rent concessions	01 June 2020	Unlikely there will be a material impact
• IAS 37 Provisions, contingent liabilities and contingent assets - Onerous contracts	01 January 2022	Unlikely there will be a material impact

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

3. Investment property

Group

	Carrying value 2021 R'000	Carrying value 2020 R'000
Investment property at fair value	8 242 773	7 854 029

Reconciliation of investment property - Group - 2021

	Opening balance	Additions	Proceeds from Insurance Guarantee	Transfer from deposits paid	Disposals	Transfer of investment property to inventory (Note 13)	Foreign currency translation	Investment property expensed	Fair value adjustments	Total
Investment property	7 854 029	596 022	-	4 893	(8 376)	(39 592)	17 056	-	(181 259)	8 242 773

Reconciliation of investment property - Group - 2020

	Opening balance	Additions	Proceeds from Insurance Guarantee	Transfer of Investment Property from Insurance Claim receivable	Transfer of Fair value adjustment to property, plant and equipment (Note 4)	Transfer to property, plant and equipment (Note 4)	Foreign currency translation	Investment property expensed	Fair value adjustments	Total
Investment property	7 409 903	248 986	(33 425)	45 951	(1 839)	(139 011)	38 686	(19 828)	304 606	7 854 029

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

No Investment Properties were acquired in the current year.

Properties are fair valued annually. Properties are valued externally on a rotational basis. At least one third of the properties are valued externally and the balance of the properties are valued by the directors. A property will be externally valued at least once every three years. For the year ended 28 February 2021 the property valuations performed were done as follows:

Independent valuers

Acciopolis (Lomastep Proprietary Limited)
Mall@Carnival (Golden Falls Trading 125 Proprietary Limited)
Mall@Larnaca (Zudolex Cyprus Limited)
Mall@Reds (Proc Corp 160 Proprietary Limited)

Directors' valuation

Mall@Emba (Double Ring Trading 62 Proprietary Limited)
Mall@Lebo (Nungu Trading 517 Proprietary Limited)
Mall@Moutsiya (Daybreak Properties 3 Proprietary Limited)
Simarlo Rainbow (DAJM Property Investment Proprietary Limited)
Moreleta Square (Rubensmen Proprietary Limited)
Mall@55 (Nabuvax Proprietary Limited)
Mall@Mfula (Zarafusion Proprietary Limited)

The effective date of the revaluation for the year ended was 28 February 2021 (2020: 29 February 2020).

Independent valuers

The Group has employed the services of Mr. P. Parfitt of Quadrant Properties and Mrs A. De Wet of Amanda De Wet Consultants and Investors. Mr. Parfitt, a professional valuer registered in accordance with section 20(2)(a) of the Property Valuers Professional Act 47 of 2000, is not connected to the Group and has recent experience in location and category of the investment property being valued. He holds a Dip. Val. MIV(SA) qualification. Registration number 2712/2. Mrs. De Wet, a professional valuer registered in accordance with section 20(2)(a) of the Property Valuers Professional Act 47 of 2000, is not connected to the Group and has recent experience in location and category of the investment property being valued. Registration number 5542. She holds B.Proc & LLB qualifications and has completed a National Diploma in Real Estate.

Valuation techniques

The revaluations were performed in line with the methods documented in the accounting policies. Cash flows are determined by the signed lease agreements in place. Should a signed lease agreement not be in place at the date of valuation, the directors allow for a 3 month vacancy before estimating cash flows for a vacant unit, based on rental mandates for each property. All investments properties for the Group is Level 3 hierarchy investment properties. There were no transfers between Levels 1, 2 and 3 during the year.

Completed developments

Completed developments were valued as at 28 February 2021 (2020: 29 February 2020) using the discounted cash flow of future income streams method if valued by the directors. External valuers have the discretion to use their own valuation method. Mr. P Parfitt has used the discounted cash flow method and Mrs. A de Wet has used the income capitalisation method based on future cash flows, being her preferred method of valuation. This is in line with the prior year except for a few exceptions. Mall at Carnival was valued this year using the income capitalisation method and discounted cash flow method in the prior year. Both Moreleta Square and Simarlo Rainbow was valued using the discounted cash flow method in the current year and the income capitalisation method in the prior year.

There are 9 completed developments at year-end and all are fully owned with no leasehold over property.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

Developments under construction

The effective date of the valuation of developments under construction was 28 February 2021 (2020: 29 February 2020). The value of developments under construction is determined by reference to the bulk rate per square meter, adjusted for construction costs to date if the development is less than 25% complete or more than one year away from being completed. If the development under construction is to be completed within one year of the financial year end, the income capitalisation method of anticipated future income streams method or residual valuation method is followed.

If the fair value of an investment property under construction is not reliably determinable but it is expected that the fair value of the property to be reliably determinable when construction is complete, that investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is completed. In the current year, Acsiopolis was valued using a residual valuation method, being the highest and best use, by Mrs. A de Wet. In the prior year, an income capitalisation method was used. Mall@Larnaca was valued by Mrs A. de Wet using the income capitalisation method, which is the same as prior year.

Mall@Larnaca is being constructed on land held in terms of a lease. Refer to note 19 for more detail.

Restatements to 31 August 2020 Interim Results

Property valuations were not obtained or performed when the interim results were published on 26 November 2020 because the Board of Directors was of the view that no reliable information was available due to the significant uncertainty created by COVID-19. As a result, investment properties were not revalued as of 31 August 2020. The JSE raised this matter during its proactive monitoring review of the 2020 Interims. This was subsequently remedied by the Group in March 2021 when valuations were performed as at 31 August 2020 and the valuation information was published on SENS. Refer Appendix B to the annual financial statements for more information on this matter.

Details of properties

Simarlo Rainbow

- Acquisition cost of investment property	32 112	32 112	-	-
- Cost of additions	689	689	-	-
- Accumulated fair value adjustments since acquisition	9 025	16 120	-	-
	41 826	48 921	-	-

Measuring 6,9 hectares, including retail mall improvements held in three sectional title properties, namely:

- 352/99 containing units 1-11; excluding units 4 and 7 owned by third parties;
- 497/99 containing units 12.-19; excluding unit 16 owned by a third party; and
- 752/28 containing units 20-30.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Directors' valuation	2020 - Independent valuation
Exit capitalisation rate:	10.30%	9.50%
Discount Rate:	15.00%	14.50%
Actual vacancy:	17.23%	21.48%
Revenue escalation rate:	4.00%	8.00%
Expense escalation rate:	5.00%	8.00%

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(592)	-	-	-
A decrease of 50 basis points in the discount rate	604	-	-	-
An increase of 50 basis points in the capitalisation rate	(1 295)	(2 570)	-	-
A decrease of 50 basis points in the capitalisation rate	1 428	2 625	-	-

Moreleta Square

- Acquisition cost of investment property	132 774	132 774	-	-
- Accumulated fair value adjustments since acquisition	29 633	1 330	-	-
	162 407	134 104	-	-

A shopping mall situated on Erf 6301 & 6302 of Farm Garsfontein 374, Moreleta Park, Extension 32, Pretoria.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Directors' valuation	2020 - Independent valuation
Exit capitalisation rate:	9.00%	9.00%
Discount rate:	14.50%	14.00%
Actual vacancy:	4.07%	9.33%
Revenue escalation rate:	5.00%	8.00%
Expense escalation rate:	7.00%	8.00%

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(2 428)	-	-	-
A decrease of 50 basis points in the discount rate	2 478	-	-	-
An increase of 50 basis points in the capitalisation rate	(6 182)	(7 155)	-	-
A decrease of 50 basis points in the capitalisation rate	6 909	7 995	-	-

Mall@Reds

- Acquisition cost of investment property	751 154	751 154	-	-
- Capital cost since acquisition	38 493	38 493	-	-
- Accumulated fair value adjustments since acquisition	567 405	587 752	-	-
	1 357 052	1 377 399	-	-

A shopping mall erected on Erf 1089, Rooihuiskraal, Extension 15, Centurion.

A discounted cashflow method was used by Mr. P Parfitt in the current year.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Independent valuation	2020 - Directors' valuation
Exit capitalisation rate:	8.75%	8.00%
Discount rate:	14.00%	13.00%
Actual vacancy:	5.58%	5.40%
Revenue escalation rate:	7.11%	5.00%
Expense escalation rate:	7.60%	8.00%

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(25 173)	(21 165)	-	-
A decrease of 50 basis points in the discount rate	25 792	21 614	-	-
An increase of 50 basis points in the capitalisation rate	(49 809)	(60 757)	-	-
A decrease of 50 basis points in the capitalisation rate	55 846	68 858	-	-

Refer to note 18 regarding funding secured over this property.

Mall@Carnival

- Acquisition cost of investment property	1 637 175	1 637 175	-	-
- Capital cost since acquisition	147 623	147 623	-	-
- Accumulated fair value adjustments since acquisition	659 867	921 321	-	-
	2 444 665	2 706 119	-	-

A shopping mall erected on Erf 3080, Dalpark Extension 5, Brakpan.

An income capitalisation method was used by Mrs A. de Wet in the current year.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Independent valuation	2020 - Independent valuation
Exit capitalisation rate:	7.50%	8.50%
Discount rate:	12.50%	13.50%
Actual vacancy percentage:	4.95%	3.72%
Revenue escalation rate:	7.00%	7.55%
Expense escalation rate:	7.00%	8.46%
Bulk rate per sqm (35,000 sqm):	R -	R 1 000
Floor are ratio rate per sqm (124 133 sqm)	R 300	R -

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	-	(51 557)	-	-
A decrease of 50 basis points in the discount rate	-	52 835	-	-
An increase of 50 basis points in the capitalisation rate	(156 926)	(105 339)	-	-
A decrease of 50 basis points in the capitalisation rate	179 344	118 507	-	-

Mall@Emba

- Acquisition cost of investment property	408 327	408 327	-	-
- Capital cost since acquisition	20 533	19 809	-	-
- Accumulated fair value adjustments since acquisition	191 006	176 228	-	-
	619 866	604 364	-	-

Retail mall situated at Erf 2/2535, 3/2535, 7/2535 Embalenhle Extension 7 and Erf 27777 Embalenhle Extension 13, Secunda.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Directors' valuation	2020 - Directors' valuation
Exit capitalisation rate:	9.00%	9.00%
Discount rate:	14.00%	14.00%
Actual vacancy percentage:	6.87%	5.36%
Revenue escalation rate:	5.00%	5.00%
Expense escalation rate:	7.00%	8.00%

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(9 167)	(8 951)	-	-
A decrease of 50 basis points in the discount rate	9 359	9 138	-	-
An increase of 50 basis points in the capitalisation rate	(23 278)	(22 726)	-	-
A decrease of 50 basis points in the capitalisation rate	26 016	25 400	-	-

Mall@Lebo

- Acquisition cost of investment property	249 575	249 575	-	-
- Capital cost since acquisition	14 622	14 622	-	-
- Accumulated fair value adjustments since acquisition	251 817	230 108	-	-
	516 014	494 305	-	-

A shopping mall situated on Erf 31, 32 and 33 of Lebowaqomo-BA Township district of Thabamopo.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Directors' valuation	2020 - Independent valuation
Exit capitalisation rate:	8.50%	9.50%
Discount rate:	14.00%	14.50%
Actual vacancy:	2.80%	1.95%
Revenue escalation rate:	5.00%	7.16%
Expense escalation rate:	7.00%	7.76%

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(7 828)	(9 373)	-	-
A decrease of 50 basis points in the discount rate	7 992	9 601	-	-
An increase of 50 basis points in the capitalisation rate	(21 171)	(16 883)	-	-
A decrease of 50 basis points in the capitalisation rate	23 818	18 759	-	-

Refer to note 18 regarding funding over this property.

Mall@Moutsiya

- Acquisition cost of investment property	30 471	30 471	-	-
- Capital cost since acquisition	79 081	74 188	-	-
- Accumulated fair value adjustments since acquisition	124 187	117 013	-	-
	233 739	221 672	-	-

A shopping centre and land parcels situated on the remaining portion 6 of Farm Walkraal, Sekhukhune district, Limpopo.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Directors' valuation	2020 - Directors' valuation
Exit capitalisation rate:	9.00%	9.00%
Discount rate:	14.00%	14.00%
Actual vacancy	3.69%	5.22%
Revenue escalation rate:	5.00%	5.00%
Expense escalation rate:	7.00%	8.00%

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(3 824)	(3 689)	-	-
A decrease of 50 basis points in the discount rate	3 904	3 767	-	-
An increase of 50 basis points in the capitalisation rate	(9 708)	(9 366)	-	-
A decrease of 50 basis points in the capitalisation rate	10 850	10 467	-	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

Mall@55 and Trade55

- Acquisition cost of investment property	179 554	179 554	-	-
- Capital cost since acquisition	117 554	111 823	-	-
- Accumulated fair value adjustments since acquisition	18 894	17 850	-	-
	316 002	309 227	-	-

A development situated on portion 165 of the farm Brakfontein and portions 0 and 1 of the farm Acsionville 784 together with Erf 1885,1886 and 1901 of Heuweloord Extension 18 and 19, Monavoni, Gauteng.

An income capitalisation valuation method was used by A de Wet in the prior year.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Directors' valuation	2020 - Independent valuation
Exit capitalisation rate (Mall@55):	8.50%	8.00%
Discount rate (Mall@55):	14.00%	13.00%
Actual vacancy (Mall@55):	5.44%	4.00%
Revenue escalation rate (Mall@55):	5.00%	8.00%
Expense escalation rate (Mall@55):	7.00%	8.00%
Bulk rate per sqm (Mall@55) (30 000 sqm):	R1 174	R1 338
Floor area ratio per sqm (Trade@55) (32 250 sqm):	R1 332	R1 359

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(4 539)	-	-	-
A decrease of 50 basis points in the discount rate	4 634	-	-	-
An increase of 50 basis points in the capitalisation rate	(12 270)	(17 648)	-	-
A decrease of 50 basis points in the capitalisation rate	13 804	19 995	-	-

Mall@Mfula

- Cost of investment property	860	860	-	-
- Capital cost of development	104 780	104 780	-	-
- Accumulated fair value adjustments	230 807	161 239	-	-
	336 447	266 879	-	-

A retail shopping centre situated on Portion 126 of Farm 149 and Erf 2686 of Piet Retief, Mpumalanga.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Directors' valuation	2020 - Independent valuation
Exit capitalisation rate:	8.50%	10.25%
Discount rate:	14.00%	14.75%
Actual vacancy	6.87%	6.82%
Revenue escalation rate:	5.00%	7.14%
Expense escalation rate:	7.00%	8.06%

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the discount rate	(5 447)	(5 607)	-	-
A decrease of 50 basis points in the discount rate	5 561	5 743	-	-
An increase of 50 basis points in the capitalisation rate	(14 731)	(9 234)	-	-
A decrease of 50 basis points in the capitalisation rate	16 572	10 181	-	-

Acsiopolis

- Cost of investment property	42 519	42 519	-	-
- Capital cost of development	970 562	709 800	-	-
- Accumulated fair value adjustments	310 698	888 589	-	-
- Transfer to Property Plant and Equipment	(555 321)	(555 321)	-	-
	768 458	1 085 587	-	-

A mixed-use development situated on Portion 1 of Erf 266 Benmore Garden Township, 5 Benmore Road, Gauteng.

A residual valuation method was used by Mrs. A de Wet, being the highest and best use for this property. In the prior year, an income capitalisation method was used by Mrs. A de Wet.

During the prior year, an insurance guarantee provided by the previous contractor was called in. The contract with them was terminated and the money received will be used to correct any construction defects relating to this contractor's work.

The following unobservable inputs were used by the valuer in estimating the fair value of the relevant sections of investment property:

	2021 - Independent valuation	2020 - Independent valuation
Exit capitalisation rate (Apartments):	- %	9.50%
Exit capitalisation rate (Retail):	- %	7.75%
Discount rate (Apartments):	10.00%	- %
Discount rate (Retail):	14.00%	12.75%
Revenue escalation rate (Retail):	3.00%	8.00%
Average daily room rate (Apartments):	-	R3 658
Net profitability (Apartments):	-	22.30%
Average occupancy (Apartments):	-	75.00%
Selling price per sqm (Apartments):	R35 000	-

Refer to sensitivity disclosed for mixed use development later in this note.

Mall@Larnaca

- Land lease (right-of-use asset)	240 288	226 927	-	-
- Capital cost of development	637 862	275 845	-	-
- Accumulated fair value adjustments	568 142	48 082	-	-
	1 446 292	550 854	-	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

3. Investment property (continued)

The Group entered into a land lease agreement to construct a retail centre on 1 January 2019 for a total of 33 years with the option to renew for an additional 33 years twice. The annual escalation is in line with Cyprus inflation, with a maximum rate of 4% and a minimum of 1%. The lease payment will be adjusted to 2.6% of the land value in year 13 of the initial lease period and will be adjusted once more on renewal date if the option is exercised for an additional 33 years (refer note 19).

The lease consists of 5 pieces of land being piece 32, 283, 285, 1410, 1827 Ayios Nikolaos Larnaca. The land consist of a total of 128 420 square meters.

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021 - Independent valuation	2020 - Independent valuation		
Exit capitalisation rate:	8.00%	9.00%		

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of 50 basis points in the capitalisation rate

A decrease of 50 basis points in the capitalisation rate

(104 436)	(36 306)	-	-
118 361	40 575	-	-

Hyde Park Terrace

- Cost of investment property on reclassification
- Accumulated fair value adjustments since transfer
- Transfer to inventories

47 524	55 900	-	-
(7 932)	(1 302)	-	-
(39 592)	-	-	-
-	54 598	-	-

The following unobservable inputs were used by the valuer in estimating the fair value of the investment property:

	2021- Directors valuation	2020- Directors valuation		
Vacant land - price per SQM:	R3 265	R3 269		
Full title properties - price per SQM of building area:	R5 810	R14 300		

The estimated impact of a change in the following significant unobservable inputs would result in a change in the fair value estimate as follows:

Sensitivity

An increase of R100 per SQM vacant land

A decrease of R100 per SQM vacant land

An increase of R100 per SQM building area

A decrease of R100 per SQM building area

311	356	-	-
(311)	(356)	-	-
507	301	-	-
(507)	(301)	-	-

Due to management's current intention to sell, the property consisting of five houses and six land parcels has been reclassified to inventory (note 13) on 28 February 2021.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
3. Investment property (continued)				
Combined Group sensitivity analysis:				
Properties excluding mixed use development				
An increase of 50 basis points in the discount rate	(58 998)	(100 344)	-	-
A decrease of 50 basis points in the discount rate	60 325	102 698	-	-
An increase of 50 basis points in the capitalisation rate	(399 807)	(287 985)	-	-
A decrease of 50 basis points in the capitalisation rate	452 949	323 362	-	-
Mixed use development				
An increase of 100 basis points in the discount rate (residential apartments)	(14 756)	-	-	-
A decrease of 100 basis points in the discount rate (residential apartments)	15 203	-	-	-
An increase of 100 basis points in the capitalisation rate (retail)	(30 187)	(164 916)	-	-
A decrease of 100 basis points in the capitalisation rate (retail)	38 237	205 378	-	-
An increase of 100 basis points in the room rate (retail as well as residential apartments)	-	14 452	-	-
A decrease of 100 basis points in the room rate (retail as well as residential apartments)	-	(14 452)	-	-
An increase of 100 basis points in the net profit percentage (retail as well as residential apartments)	-	14 452	-	-
A decrease of 100 basis points in the net profit percentage (retail as well as residential apartments)	-	(14 452)	-	-
An increase of 100 basis points in the occupancy rate (retail as well as residential apartments)	-	20 177	-	-
A decrease of 100 basis points in the occupancy rate (retail as well as residential apartments)	-	(20 177)	-	-
An increase of 100 basis points in the selling price per sqm (residential apartments)	7 809	-	-	-
A decrease of 100 basis points in the selling price per sqm (residential apartments)	(7 809)	-	-	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

4. Property, plant and equipment

	2021			2020		
	Cost	Accumulated depreciation	Carrying value	Cost	Accumulated depreciation	Carrying value
Hotel	521 512	-	521 512	592 265	-	592 265
Leasehold property installations	304 978	(234 348)	70 630	304 714	(215 877)	88 837
Plant and equipment	110 289	(107 474)	2 815	157 714	(148 333)	9 381
Furniture and fixtures	17 388	(17 011)	377	36 566	(35 673)	893
Motor vehicles	479	(458)	21	479	(449)	30
Computer software	594	(594)	-	594	(594)	-
Marketing equipment	976	(976)	-	976	(976)	-
Investment property, equipment and fixtures	133 060	(82 776)	50 284	67 331	(11 063)	56 268
Total	1 089 276	(443 637)	645 639	1 160 639	(412 965)	747 674

Included in property, plant and equipment is fully depreciated assets with a cost of R175 million that are still in use.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

4. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - Group - 2021

	Opening balance	Additions	Foreign exchange movements	Investment Property transfer (Note 3)	Revaluation loss	Depreciation	Total
Hotel	592 265	51 330	-	-	(122 083)	-	521 512
Leased property installations	88 837	263	-	-	-	(18 470)	70 630
Plant and equipment	9 381	578	22	-	-	(7 166)	2 815
Furniture and fixtures	893	181	-	-	-	(697)	377
Motor vehicles	30	-	-	-	-	(9)	21
Investment property, equipment and fixtures	56 268	15	-	-	-	(5 999)	50 284
	747 674	52 367	22	-	(122 083)	(32 341)	645 639

Reconciliation of property, plant and equipment - Group - 2020

	Opening balance	Additions	Proceeds from Insurance guarantee	Investment Property transfer (Note 3)	Revaluation loss	Depreciation	Total
Hotel	603 034	13 502	(22 432)	-	(1 839)	-	592 265
Leased property installations	52 548	1 047	-	71 680	-	(36 438)	88 837
Plant and equipment	14 412	769	-	-	-	(5 800)	9 381
Furniture and fixtures	1 500	16	-	-	-	(623)	893
Motor vehicles	39	-	-	-	-	(9)	30
Investment property, equipment and fixtures	-	-	-	67 331	-	(11 063)	56 268
	671 533	15 334	(22 432)	139 011	(1 839)	(53 933)	747 674

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

4. Property, plant and equipment (continued)

Hotel reconciliation	Cost R'000	Cumulative Revaluation R'000	Total R'000
At transfer date	247 154	308 167	555 321
2019	17 366	30 347	47 713
2020	(8 930)	(1 839)	(10 769)
2021	51 330	(122 083)	(70 753)
	306 920	214 592	521 512

Revaluations

The owner occupied asset is the hotel portion of the mixed use asset in Benmore (Acsiopolis). As the hotel will be managed by one of the subsidiaries of the group, the hotel has been classified as owner occupied. This asset is valued through other comprehensive income in the statement of changes in equity on an annual basis. This portion of the mixed use property was transferred to property, plant and equipment at fair value as at 30 November 2018. The value of the hotel if carried under the cost model would be R306 million.

The Group has employed the services of Mrs A. De Wet of Amanda De Wet Consultants and Investors to perform a valuation on the complete property as at 28 February 2021. Mrs. De Wet, a professional valuer registered in accordance with section 20(2)(a) of the Property Valuers Professional Act 47 of 2000, is not connected to the Group and has recent experience in location and category of the investment property being valued. Registration number 5542.

The effective date of the revaluation for the year ended was 28 February 2021.

Valuation technique

The revaluation was performed in line with the method documented in the accounting policies. The residual valuation method was used as the technique to determine the fair value of the property where an income capitalisation method was used in the prior year. The estimated cost to complete the development is deducted from the market value. In the current year, a residual valuation method was used as being the highest and best use for the hotel. This property is on a Level 3 hierarchy. There were no transfers between Levels 1, 2 and 3 during the year.

The following unobservable inputs were used by the valuer in estimating the fair value of the property:

	2021 - Independent valuation	2020 - Independent valuation
Discount rate:	10.00%	-
Capitalisation rate:	10.00%	10.00%
Average daily room rate:	-	R1 938
Net profit percentage:	-	22.30%
Average occupancy:	-	75.00%
Selling price per sqm:	R35 000	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

4. Property, plant and equipment (continued)

Sensitivity analysis:

The estimated impact of a change in the significant unobservable inputs would result in a change in the fair value estimation of the hotel portion is as follows:

An increase of 100 basis points in the discount rate	(12 807)	-	-	-
A decrease of 100 basis points in the discount rate	13 195	-	-	-
An increase of 100 basis points in the capitalisation rate	-	(92 290)	-	-
A decrease of 100 basis points in the capitalisation rate	-	112 799	-	-
An increase of 100 basis points in the room rate	-	9 354	-	-
A decrease of 100 basis points in the room rate	-	(9 354)	-	-
An increase of 100 basis points in the net profit percentage	-	10 152	-	-
A decrease of 100 basis points in the net profit percentage	-	(10 152)	-	-
An increase of 100 basis points in the occupancy rate	-	12 597	-	-
A decrease of 100 basis points in the occupancy rate	-	(12 597)	-	-
An increase of 100 basis points in the selling price per sqm	6 843	-	-	-
A decrease of 100 basis points in the selling price per sqm	(6 843)	-	-	-

Leased property installations included in plant and equipment forms and integral part of investment property as set out in note 6.

5. Operating lease asset

Non-current assets	118 924	132 470	-	-
Current assets	25 097	23 279	-	-
	144 021	155 749	-	-

The operating lease asset forms an integral part of investment property as set out in note 6.

6. Reconciliation of significant components of investment property to valuation performed

Note 3 - Investment property at fair value - completed developments	6 028 023	6 217 588	-	-
Note 3 - Investment property at fair value - developments under construction	2 214 750	1 636 441	-	-
Note 4 - Leased property installations	70 630	88 837	-	-
Note 4 - Owner occupied asset	521 512	592 265	-	-
Note 4 - Investment property equipment, fixtures and fittings	50 284	56 267	-	-
Note 5 - Operating lease asset	144 021	155 749	-	-
Valuation amount as per directors' and independent valuations	9 029 220	8 747 147	-	-

7. Goodwill

Group	Carrying value 2021 R'000	Carrying value 2020 R'000
Carrying value of goodwill	625 464	625 464

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

7. Goodwill (continued)

Goodwill originated during the formation of the Acsion Limited Group and represents a premium paid in relation to Anaprop Property Management and represents the amount of value the various shareholders in the restructure transaction were willing to pay in order to internalise the property management and asset management functions within the group. Due to the group's successful history of delivering Net Asset Value (NAV) growth, superior to the returns of traditional REITs, for its shareholders, Acsion's pre-listing shareholders agreed to the payment of the premium so as to secure their participation in the development profits arising from the current development pipeline, as well as future development opportunities.

Goodwill is not amortised but tested for impairment at the end of each financial year or when there are indications that the goodwill may be impaired. For the purposes of performing the impairment test, the goodwill is allocated to Anaprop Property Management, which is the smallest cash-generating unit (CGU) expected to benefit from the acquisition which gave rise to the goodwill. The recoverable amount of the CGU is determined on a value in use basis, and this is compared to the carrying value of the CGU, including the goodwill. To the extent the carrying value of the CGU exceeds its recoverable amount, goodwill is impaired, limited to its carrying value. Management makes assumptions regarding certain pipeline developments in order to anticipate the impact it will have on the future cash flows of the CGU.

Value in use was determined using a discounted cash flow (DCF) model which used budgets and forecasts for 5 years, and then bringing in a perpetuity value which is discounted to present value.

Although Anaprop Property Management mostly does not generate cash inflows from outside the Group, it is possible since there is a market for the services it provides. The cash inflows used in the discounted cash flow are those expected to be generated by Anaprop from the various property companies within the Group to which Anaprop will be providing property management and asset management services. Since some of the property developments that ultimately will be serviced by Anaprop have not even commenced yet, the corresponding expected cash inflows, and related cash outflows, for Anaprop have been included in the discounted cash flow to the extent reflected in the budget and forecast of Anaprop for just over 4 years.

Some of the parameters used in the determination of the value in use of Anaprop Property Management includes the following:

	2021	2020
Contractual fee income (fixed percentage of rental collections)	7.50%	7.50%
Operational profit escalation rate (budget and forecast periods)	5.00%	6.50%
Discount rate	9.71%	8.62%
Exit capitalisation rate	6.81%	4.42%
Long term growth rate	2.90%	4.20%

The amount by which the value in use of Anaprop exceeded its carrying value, including goodwill, as of 28 February 2021 was approximately R52 million.

Goodwill Sensitivity Analysis

A change in the following significant inputs would result in the recoverable amount of the goodwill being equal to its carrying value. The below assume all other inputs remaining the same and only the mentioned unobservable input being the value indicated as per below:

Discount rate:	10.23%
Exit Capitalisation rate:	7.54%
Operational profit escalation rate	2.39%
Long term growth rate	2.20%

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Group			Company	
	2021	2020 Restated	2019 Restated	2021	2020
8. Intangible development project assets					
Opening balance	165	165	165	-	-
Transferred to investment property	-	-	-	-	-
Closing balance	165	165	165	-	-

During the formation of the Group, the holding company acquired two wholly owned subsidiaries that owned the intangible development project assets. The subsidiaries were acquired by way of share issue and priced at R209 million and R200 million for Acsiopolis and Mall@Maputo respectively.

Refer to note 38 regarding restatement of the balances previously reported.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

9. Investments in subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

Name of company	Held by	% voting power 2021	% voting power 2020	% voting power 2019	Carrying amount 2021	Carrying amount 2020 Restated	Carrying amount 2019 Restated
Bengavista Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	14 341	14 341	14 341
DAJM Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	28 673	28 673	28 673
Daybreak Properties 3 Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	18 132	18 132	18 132
Double Ring Trading 62 Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	316 850	316 850	316 850
Fortuvox Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	199 835	199 835	199 835
Golden Falls Trading 125 Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	1 298 863	1 298 863	1 298 863
Lomastep Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	209 827	209 827	209 827
Nabuvax Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	117 728	117 728	117 728
Nungu Trading 516 Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	146 084	146 084	146 084
Proc Corp 160 Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	604 428	604 428	604 428
Rubensmen Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	113 186	113 186	113 186
Southern Palace Investments 108 Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	820 441	815 450	815 450
Zarafusion Proprietary Limited	Acsion Limited	55,00 %	55,00 %	55,00 %	-	-	-
Bengavox Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	-	-	-
Zudolex Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	-	-	-
Zudonetix Proprietary Limited	Acsion Limited	100,00 %	100,00 %	100,00 %	-	-	-
Ornelia Limited (Cyprus entity)	Zudolex Proprietary Limited	100,00 %	100,00 %	100,00 %	-	-	-
Zudolex Cyprus Limited (Cyprus entity)	Ornelia Limited (Cyprus entity)	95,50 %	95,50 %	95,50 %	-	-	-
					3 888 388	3 883 397	3 883 397
Impairment of Fortuvox Proprietary Limited					(199 835)	(199 835)	(199 835)
Impairment of Bengavista Proprietary Limited					(2 728)	-	-
Impairment of Southern Palace Investments 108 Proprietary Limited					(78 000)	-	-
					3 607 825	3 683 562	3 683 562

Refer to note 36 for detail on the non-controlling interest and financial information on Zarafusion Proprietary Limited as well as Zudolex Cyprus Limited.

The principal place of business for all the above Companies is in South Africa except for Ornelia Limited and Zudolex Cyprus Limited, located in Cyprus.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

10. Other financial assets

Loans and receivables

Guarantees issued	539	5 432	-	-
Guarantees issued generally relate to utility deposits required by councils. The guarantees are cash deposits held at a financial institution that serves as security for the guarantees issued to relevant councils. Such deposits are generally invested in interest bearing instruments. The interest earned on these products is generally returned to the company on a quarterly basis.				

Non-current assets

Loans and receivables	539	5 432	-	-
-----------------------	-----	-------	---	---

Fair value information

The fair value of financial assets classified as loans and receivables are deemed to be the same as cost.

11. Loans to / (from) group companies

Subsidiaries

Lomastep Proprietary Limited	-	-	199 327	199 327
Southern Palace Investments 108 Proprietary Limited	-	-	(424 089)	(426 899)
Zudolex Proprietary Limited	-	-	3 258	3 258
Nungu Trading 517 Proprietary Limited	-	-	102 784	102 784
Golden Falls 125 Proprietary Limited	-	-	8 425	8 425
Daybreak Properties 3 Proprietary Limited	-	-	11 438	11 438
	-	-	(98 857)	(101 667)

Unless otherwise stated, the loans to and from subsidiaries are interest free with no fixed terms of repayment. In the previous year, the loan to Lomastep Proprietary Limited carried interest at prime less 133 basis points and was repayable on demand. The whole amount of R424 million due to Southern Palace Investments 108 Proprietary Limited is subject to a letter of support given to Acsion Limited and will not be called in for liquidity reasons.

Current liabilities	-	-	(424 090)	(426 899)
Current assets	-	-	325 232	325 232
	-	-	(98 858)	(101 667)

12. Loans to / (from) shareholders

RA Dlamini	(506)	4 053	-	-
Three Five Theda Proprietary Limited	(909)	(781)	-	-
A Nicoloudakis	(909)	(859)	-	-
D Thomas	(909)	(859)	-	-
I Anastasiadis	(909)	(781)	-	-
	(4 142)	773	-	-

RA Dlamini is the minority shareholder in Zarafusion Proprietary Limited (Mall@Mfula) who contributes towards the development in terms of an arrangement the Group has with him. The loan of R506k will only be repaid if the loan contributions by shareholders are in relation to their shareholding and other shareholders loan is also repaid. The loan does not carry interest.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
12. Loans to / (from) shareholders (continued)				
The loans due to D Thomas and A Nicoloudakis are Euro denominated and the loans due to I Anastasiadis and T Kyriazis are Rand denominated. The loans from shareholders (excluding RA Dlamini) relates to loans from persons or entites related to minority shareholders in Zudolex Cyprus Limited. These loans carry no interest with no fixed terms of repayment and is unsecured.				
Current assets	-	4 053	-	-
Current liabilities	(4 142)	(3 280)	-	-
	(4 142)	773	-	-

13. Inventories

Reclassification of investment property to inventory	39 592	-	-	-
--	--------	---	---	---

Hyde Park Terrace, a high end residential development of units ranging from 350 m2 to 568 m2 under roof, is situated in Hyde Park, Sandton, approximately 500m away from Hyde Park shopping centre. The development currently consists of five completed houses (2020: six) and six vacant stands still available for sale (2020: nine).

These properties were valued prior to being transferred from investment property due to management intent to sell. Refer to note 3 for details of valuation prior to transfer to inventory on 28 February 2021.

14. Trade and other receivables

Financial instruments:

Trade receivables	30 175	17 275	-	-
Provision for expected credit losses	(1 481)	(2 746)	-	-
Trade receivables at amortised cost	28 694	14 529	-	-
Other receivables	1 814	3 100	-	4 560

Non-financial instruments:

Value added tax	29 079	1 087	-	-
Prepayments	1 227	7 504	-	-
Total trade and other receivables	60 814	26 220	-	4 560

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provisions for all trade receivables.

These balances are disclosed at amortised cost under IFRS 9.

Trade receivables bear interest at prime plus 200 basis points for all accounts not settled within seven days of invoicing. The same applied during the 2020 financial year.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

14. Trade and other receivables (continued)

Trade and other receivables past due but not impaired

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio.

Trade and other receivables which are less than 3 months past due are not considered to be impaired. At 28 February 2021 R28.7 million (2020: R14.5 million) were past due but not impaired.

The ageing of amounts past due but not impaired is as follows:

Current	19 274	7 558	-	-
1 month past due	6 279	3 295	-	-
2 months past due	1 630	1 452	-	-
3 months past due	1 511	2 224	-	-
	28 694	14 529	-	-

Trade and other receivables impaired

As of 28 February 2021, trade and other receivables of R1.48 million (2020: R2.75 million) were impaired and provided for.

The ageing of this impairment is as follows:

Less than 3 months	1 260	464	-	-
Over 3 months	221	2 282	-	-
	1 481	2 746	-	-

Reconciliation of provision for expected credit losses

Opening balance	2 746	1 241	-	-
Provision for impairment				
- COVID-19	64 507	-	-	-
- Other	7 445	1 693	-	-
Utilised during the year	(73 217)	(188)	-	-
	1 481	2 746	-	-

The creation and release of the provision for impaired receivables have been included in other Financial instruments and risk management in the Statement of Profit or Loss

15. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	34	34	-	-
Bank balances	49 467	223 046	12 794	20 695
Bank deposit	16 122	-	-	-
	65 623	223 080	12 794	20 695

Included in the bank balance is €157 695 held by the group Domestic Treasury Management Company, Zudorex Proprietary Limited as well as €206 765 held in a bank account in Cyprus. The bank deposit is held in Cyprus. All balances relating to Cyprus were converted to the reporting currency at an exchange rate of R18.191 to the Euro.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
16. Stated capital				
Authorised ('000)				
Ordinary shares of no par value	10 000 000	10 000 000	10 000 000	10 000 000
Reconciliation of number of shares issued ('000):				
Balance at the beginning of the year	393 358	393 383	394 960	394 960
Shares purchased by subsidiaries	(96)	(25)	-	-
	393 262	393 358	394 960	394 960
Reconciliation of Rand value of shares issued (R'000):				
Balance at the beginning of the year	3 967 615	3 968 078	3 979 956	3 979 956
Shares purchased by subsidiaries	(397)	(463)	-	-
	3 967 218	3 967 615	3 979 956	3 979 956
Summary of shares issued ('000)				
Total number of shares issued	394 960	394 960	394 960	394 960
Less: Treasury shares held	(1 698)	(1 602)	-	-
	393 262	393 358	394 960	394 960
Issued (R'000)				
Ordinary no par value shares	3 979 956	3 979 956	3 979 956	3 979 938
Shares purchased by subsidiaries (Treasury shares)	(12 738)	(12 341)	-	-
	3 967 218	3 967 615	3 979 956	3 979 938

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Group			Company	
	2021	2020 Restated	2019 Restated	2021	2020
17. Deferred tax					
Deferred tax liability					
Revaluation of investment properties and owner occupied hotel change in use	(1 279 049)	(1 371 235)	(1 305 536)	-	-
Accelerated capital allowances	(134 697)	(119 085)	(107 993)	-	-
Straight-line lease rentals	(40 326)	(43 610)	(43 949)	-	-
Unrealised foreign exchange gain	(7 597)	-	-	-	-
Total deferred tax liability	(1 461 669)	(1 533 930)	(1 457 478)	-	-
Deferred tax asset					
Impairment of investment in subsidiary	-	-	-	17 472	-
Income received in advance	1 862	4 200	3 243	-	-
Capitalised contractual interest	4 959	4 959	3 748	-	-
Trade receivables and prepayments	510	521	(344)	252	-
Trade payables	410	312	267	-	-
Deferred tax balance from temporary differences other than unused tax losses	7 741	9 992	6 914	17 724	-
Tax losses available for set off against future taxable income	52 343	36 630	21 186	1 130	-
	60 084	46 622	28 100	18 854	-
Total deferred tax asset	60 084	46 622	28 100	18 854	-
The Group recognised the deferred tax asset as the future taxable profits are deemed sufficient to offset tax losses. The recognition is based on the future taxable profits derived from approved budgets and cash flow forecasts. Assessed losses available for utilisation against future taxable income amounted to R186.9 million (2020: R130.8 million).					
Deferred tax liability	(1 461 669)	(1 533 930)	(1 457 478)	-	-
Deferred tax asset	60 084	46 622	28 100	18 854	-
Total net deferred tax (liability) asset	(1 401 585)	(1 487 308)	(1 429 378)	18 854	-
Deferred tax per Statement of Financial Position					
Deferred tax liability	(1 405 000)	(1 489 340)	(1 431 123)	-	-
Deferred tax asset	3 415	2 032	1 745	18 854	-
	(1 401 585)	(1 487 308)	(1 429 378)	18 854	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Group			Company	
	2021	2020 Restated	2019 Restated	2021	2020
17. Deferred tax (continued)					
Reconciliation of net deferred tax liability					
At beginning of year	(1 487 308)	(1 429 378)	(1 220 064)	-	-
Temporary differences on impairment of investment in subsidiary	-	-	-	17 472	-
Temporary differences from assessed loss created / (utilised) in the current year	15 713	15 444	674	1 130	-
Temporary differences relating to current assets	(415)	615	(600)	-	-
Temporary differences on tangible assets	(10 770)	(11 372)	3 260	-	-
Temporary differences on income received in advance	(2 338)	1 238	583	-	-
Temporary differences on capitalised contractual interest	-	1 211	3 748	-	-
Temporary differences on revaluation of investment property and owner occupied hotel	87 344	(65 697)	(212 492)	-	-
Temporary differences on straight-lining of leases	3 284	289	(4 329)	-	-
Temporary differences on trade payables	98	199	220	-	-
Temporary differences on loss allowance on trade receivables	404	143	(379)	252	-
Unrealised foreign exchange gain	(7 597)	-	-	-	-
	(1 401 585)	(1 487 308)	(1 429 378)	18 854	-

A change in the deferred tax rate from 28% to 27% will result in the current deferred tax liability decreasing by R41 million relating to fair value changes to investment property.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
18. Other financial liabilities				
Held at amortised cost				
Nedbank Limited	-	407	-	407
Nungu Trading 517 Proprietary Limited (Mall@Lebo) This loan is with Nedbank Limited and currently bears interest at prime minus 140 basis points. This loan expires on 1 July 2024. The loan is repaid monthly through payments of capital and interest. The loan is secured over the Mall@Lebo property (Refer note 3).	48 826	66 701	-	-
Proc Corp 160 Proprietary Limited - Rand A funding facility was secured with Standard Bank Limited equal to R700 million during the 2020 financial year. Part of the facility was converted to Euro's in May 2020 with the combined funding to not exceed the equivalent of R700 million. The Rand portion of the loan carries monthly interest at prime less 180 basis points. The whole facility is repayable by 31 May 2021 and is secured over Mall@Reds which is a wholly owned subsidiary of Acsion Limited (refer note 3).	449 553	564 246	-	-
Proc Corp 160 Proprietary Limited - Euro The R700 million facility discussed above included Euro 12 002 220 at 28 February 2021, converted to Rands at an exchange rate of R18.191. Interest is paid on the Euro portion of the loan outstanding at Euribor plus 2.02% on a quarterly basis. This facility is repayable by 31 May 2021 and is secured over Mall@Reds (refer note 3).	218 332	-	-	-
K Anastasi Proprietary Limited The loan bears interest at prime less approximately 280 basis points, being the group investment rate, and has no fixed terms of repayment. This related party company of the Group (Interest held by Mr K. Anastasiadis) deposits its excess cash with the Group. The funds can be withdrawn on demand.	1 405	1 306	-	-
	718 116	632 660	-	407
Split between non-current and current portions				
Non-current liabilities	28 969	48 928	-	-
Current liabilities	689 147	583 732	-	407
	718 116	632 660	-	407

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
19. Right of use lease liability				
Lease liabilities maturity analysis - contractual undiscounted cash flows				
- within one year	7 793	7 301	-	-
- 2 to 5 years	38 300	35 813	-	-
- 6 to 10 years	50 070	47 699	-	-
- 11 to 15 years	52 624	49 206	-	-
- 16 to 20 years	55 308	50 834	-	-
- 21 to 25 years	58 129	54 354	-	-
- 26 to 30 years	61 095	57 126	-	-
- 31 to 33 years	10 483	21 670	-	-
Total undiscounted cash flows	333 802	324 003	-	-
Reconciliation of liability:				
Balance at the beginning of the year	227 287	209 588	-	-
Interest charged (translated at average exchange rate)	5 442	4 778	-	-
Lease repayments (translated at average exchange rate)	(6 825)	(4 418)	-	-
Foreign currency conversion	10 840	17 339	-	-
	236 744	227 287	-	-
Non-current liabilities	232 667	219 986	-	-
Current liabilities	4 077	7 301	-	-
	236 744	227 287	-	-

The Group entered into a land lease agreement on 1 January 2019 for a total of 33 years with the option to renew for an additional 33 years twice. The purpose of this lease is to construct a retail centre on the leased land, which will form part of the group's property development activities. The annual rental whilst in the construction phase is EUR 255 000 and once completed EUR 510 000. The property is no longer in construction phase as per the agreed lease terms and therefore full annual rental is in effect. Rental is payable monthly in advance. Due to the lower lease payments in construction phase, the initial interest is more than the monthly lease payments. The annual escalation is per Cyprus inflation, with a maximum rate of 4% and a minimum of 1%. The lease payments will be adjusted to 2.6% of the land value in year 13 of the initial lease period and will again be adjusted on renewal date if the option is exercised for an additional 33 year. There were no additions to the right of use asset in the current or prior year. The right-of-use asset is disclosed as part of investment properties (note 3).

It should be noted that the lease liability and right of use asset was calculated for a period of 33 years. It was considered appropriate to use 33 years due to the uncertainty relating to exercising the options and length of the initial and subsequent lease periods. Due to the lease being in Euros, the company and group is exposed to foreign exchange rate risk which will reflect in monthly lease payments on translation to Rand. The exchange rate used to convert from Euro to Rand for the relevant asset and liability was R18.19 (2020: R17.18) at reporting date.

The total cash outflow for leases during the 2021 financial year was R6 824 528 (EUR 366 963). Rental concession to the value of R139 289 was received during the year and treated as other income received.

The finance costs relating to the lease obligation are disclosed in note 25.

In measuring the lease liability, initially, an annual escalation rate of 1% was used for the remainder of the lease term, since this is the minimum annual escalation rate. Should the annual (up to 31 December each year) Cyprus inflation rate be greater than 1%, the lease liability is remeasured accordingly using the higher lease payments for the remainder of the lease term, but only when there is a change in the cash flows (ie when the adjustment to the lease payments takes effect).

AcSION Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as AcSION Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

19. Right of use lease liability (continued)

The 2020 annual inflation rate in Cyprus was negative 0,63%, which meant that the lease payments for the year commencing 1 January 2021 were actually increased by the minimum escalation rate of 1% which is the rate that has been used in the measurement of the lease liability since inception of the lease.

Since the annual lease cash flows (before escalation as described above) for year 13 and onwards will ultimately be determined at an amount equal to 2,6% of the value of the land as of the end of year 12, but cannot be less than the actual annual lease payments for year 12, the effect of any resultant increase in lease payments will only be reflected in the measurement of the lease liability once the value of the land, as of the end of year 12, has been determined. The value of the land at inception of the lease was €19.6 million.

The undiscounted cash flows disclosed above have been calculated on the same basis as those cash flows used in the measurement of the lease liability.

20. Trade and other payables

Financial instruments:

Trade payables	146 718	89 081	776	236
Unallocated receipts	171	21	-	-
Accrued leave pay	2 426	1 803	899	660
Accrued expenses	40 253	31 889	462	190
Tenant deposits received	62 975	40 453	-	-
Lease fees	63	46	-	-

Non-financial instruments:

Amounts received in advance	6 959	15 879	-	-
Value added tax	5 105	6 848	413	24
	264 670	186 020	2 550	1 110

Trade and other payables are classified as other financial liabilities and are carried at amortised cost. This reflects the carrying value of trade and other payables.

Trade payables are generally settled 30 days from statement date unless a specific arrangement was made with suppliers governing the payment relating to their services. Generally, trade and other payables do not bear interest although there are circumstances that interest will be levied at a predetermined rate. The Group, as far as possible, avoids incurring interest on trade payables.

21. Revenue from tenants and customers

Management fee income *	-	-	7 143	8 639
Collection commission	192	201	-	-
Royalty income	-	1 616	-	-
Rental income on investment property	548 828	530 954	-	-
Utility cost recovery	160 019	155 236	-	-
Operating lease straight-line rental (Note 5)	(11 730)	(1 034)	-	-
	697 309	686 973	7 143	8 639

* Management fee income earned by the Company was previously presented as other operating income in the Statement of Profit or Loss and Other Comprehensive Income. Since this represents the main source of income of the Company it should be presented as revenue. Accordingly, the comparative figures for the previous financial year have been reclassified.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
21. Revenue from tenants and customers (continued)				
Utility cost recovery income included in revenue above consists of:				
Electricity	110 704	111 974	-	-
Rates	36 064	29 912	-	-
Refuse	4 980	4 812	-	-
Sewerage	2 712	2 633	-	-
Water	5 310	5 676	-	-
Gas	249	231	-	-
	160 019	155 238	-	-

Rental income is recognised on a straight line basis over the lease term, but is invoiced monthly based on contract terms. Any doubt about whether the Group is entitled, legally, to charge rent, for example where COVID-19 country rules prevented tenants from having free access to their premises, is ignored when determining the amount of rental income to be recognised. To the extent there is such doubt, an expense is recognised as an expected credit loss provision against the trade receivable. Refer to note 39 regarding the six months ended 31 August 2020 and the treatment of revenue relating to COVID-19 lockdown.

22. Other operating income

Administration fees	519	270	-	-
Early lease cancellation fees	353	906	-	-
Legal fee recovery	329	35	-	-
Bad debts recovered	253	969	-	-
Other operational recoveries	219	7	-	-
Other income	204	194	-	-
Profit on sale of assets	-	(52)	-	-
	1 877	2 329	-	-

Other operating income of the Company for the prior year has been reclassified. Refer note 21.

23. Operating profit / (loss)

Operating profit / (loss) for the year is stated after inclusion of the following:

Auditor's remuneration - external

Audit fees	2 393	2 040	2 318	1 924
------------	-------	-------	-------	-------

Auditor's remuneration - internal

	181	186	-	-
--	------------	------------	----------	----------

Employee costs

Salaries, directors fees, wages, bonuses and other benefits	26 672	30 036	5 134	5 613
Study fees	202	218	-	-
Staff welfare	-	3	-	-
Total employee costs	26 874	30 257	5 134	5 613

Depreciation

Depreciation of plant and equipment	32 341	53 933	-	-
-------------------------------------	--------	--------	---	---

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
23. Operating profit / (loss) (continued)				
Bad debt impairments				
Bad debts	71 952	3 722	-	-
Municipal charges				
Municipal charges	137 403	129 414	-	-
Investment and other impairments				
Impairment of investment in Southern Palace 108 Proprietary Limited	-	-	78 000	-
Impairment of investment in Bengavista Proprietary Limited	-	-	2 728	-
Impairment of owner occupied hotel	93 576	-	-	-
Property expenses				
Cleaning	6 801	8 280	-	-
Security	8 704	9 579	-	-
Investment property repairs and maintenance	729	3 497	-	-
24. Investment income (Group) / Interest revenue (Company)				
Dividend income				
Associate entities:				
Silver Crest Trading 134 Proprietary Limited	-	1 199	-	-
Interest revenue				
Investments in financial assets:				
Bank and other cash	5 508	12 954	1 029	339
Tenant interest received	6 638	-	-	-
South African Revenue Services	-	18	-	-
Other interest received **	(4 560)	-	(4 560)	-
Loans to group companies:				
Subsidiaries	-	-	-	46 448
Total interest revenue *	7 586	12 972	(3 531)	46 787
Total investment income	7 586	14 171	(3 531)	46 787

* Interest earned by the Company was previously presented as investment income and excluded from operating profit, on the Statement of Profit or Loss and other Comprehensive Income. Since providing loans to group companies is part of the ordinary activities of the Company, being a holding company, interest earned should be presented as interest revenue and included in Operating Profit. Accordingly the comparative figures for the prior year have been reclassified.

** In a prior year, interest was incorrectly raised on a fellow shareholder in a subsidiary company. This interest income has been reversed in the current year in interest revenue.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
25. Finance costs				
Trade and other payables	325	60	-	-
Other financial liabilities	32 562	58 575	17	46 448
South African Revenue Services	1	13	-	-
Interest on lease obligations (Right-of-use asset - note 19)	5 442	4 778	-	-
Related parties	75	339	-	-
Total finance costs	38 405	63 765	17	46 448

26. Taxation

Major components of the tax expense (income)

Current

Local income tax - current period	97 862	104 656	-	-
Prior period under / (over) provision	(362)	-	194	-
	97 500	104 656	194	-

Deferred

Originating and reversing temporary differences	(51 244)	74 715	(17 724)	-
Capitalised contractual interest	-	(1 211)	-	-
Assessed loss utilised	-	(15 444)	(1 130)	-
Prior period under / (over) provision	(11 799)	-	-	-
	(63 043)	58 060	(18 854)	-
	34 457	162 716	(18 660)	-

On a Company level, no deferred tax asset has been raised against the impairment of the investment in Fortuvon Proprietary Limited of R199.8 million (refer note 9). The Group has no near-term intention to sell any assets that may generate a capital gain for tax purposes.

On a Company level, a deferred tax asset of R17.4 million (at capital gains tax rate) has been raised against the impairment of R78 million investment in Southern Palace Investments 108 Proprietary Limited (refer note 9). It is expected that the losses will be recovered through future profitable income in the underlying investment.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

Figures in Rand thousand	Group		Company	
	2021	2020	2021	2020
26. Taxation (continued)				
Reconciliation of the tax expense				
Reconciliation between applicable tax rate and average effective tax rate.				
Applicable tax rate	28,0 %	28,0 %	28,0 %	28,0 %
Capital gains tax realised on sale of assets	0,8 %	- %	- %	- %
Capital gains tax exemption on fair value of investment property	(2,3)%	(2,2)%	- %	- %
Impairment of investment in associate / subsidiary	- %	0,1 %	(0,9)%	- %
Difference in tax rates (Capital gains tax)	- %	- %	(5,1)%	- %
Impairment of owner-occupied hotel	16,9 %	- %	- %	- %
Learnership allowance	(0,1)%	- %	- %	- %
Capitalised contractual interest	- %	(0,2)%	- %	- %
Non taxable income	- %	(0,1)%	- %	- %
Assessed loss not recognised	- %	(0,3)%	- %	- %
Difference in tax rate between jurisdictions	0,1 %	(0,5)%	- %	- %
Prior period over provision	(9,9)%	- %	(0,2)%	- %
Non deductible expenses	0,2 %	- %	(0,2)%	(28,0)%
	33,7 %	24,8 %	21,6 %	- %

27. Earnings, headline earnings, net asset value and proposed dividend per share

Basic earnings and diluted earnings per share

Basic earnings per share is determined by dividing profit or loss attributable to the ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Basic earnings per share

From continuing operations (cents per share)	6,01	123,40	-	-
--	------	--------	---	---

Basic earnings per share was based on earnings of R23.6 million (2020: earnings of R485.4 million) and a weighted average number of ordinary shares of 393.3 million (2020: 393.3 million).

Reconciliation of profit or loss for the year to basic earnings

Profit or loss for the year attributable to equity holders of the parent	67 686	490 903	-	-
Adjusted for:				
Earnings attributable to non-controlling interest	(44 054)	(5 480)	-	-
Profit for the purposes of basic and diluted earnings per share	23 632	485 423	-	-

Diluted earnings per share

From continuing operations (cents per share)	6,01	123,40	-	-
--	------	--------	---	---

Diluted earnings per share is equal to earnings per share because there are no dilutive potential ordinary shares in issue.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

27. Earnings, headline earnings, net asset value and proposed dividend per share (continued)

Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary share outstanding during a period.

The calculation of headline earnings per share has been performed in accordance with circular 1/2019.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

Headline earnings per share (cents)	71,32	65,61	-	-
Diluted headline earnings per share (cents)	71,32	65,61	-	-

Reconciliation between earnings and headline earnings

Basic earnings	23 632	485 423	-	-
Adjusted for:				
Fair value property adjustments	181 259	(236 374)	-	-
Taxation attributable to fair value changes	(53 016)	-	-	-
Impairment loss - owner occupied hotel	93 576	-	-	-
Taxation attributable to impairment loss - owner occupied hotel	(8 944)	-	-	-
Loss on sale of investment property	1 430	-	-	-
Taxation on asset disposal losses	(320)	-	-	-
Non-controlling interest relating to fair value adjustment	42 913	7 500	-	-
Loss on investment in associate	-	1 541	-	-

Headline profit for the purposes of basic and diluted headline earnings per share	280 530	258 090	-	-
--	----------------	----------------	----------	----------

Diluted headline earnings per share is equal to headline earnings per share because there are no dilutive potential ordinary shares in issue.

Proposed dividend per share

No dividend has been proposed as at 28 February 2021 (2020: nil).

Net asset value per share and net asset value per share excluding deferred taxation

	2021	2020 Restated	2019 Restated		
Net asset value per share (cents) (1)	1 795,40	1 789,43	1 661,91	-	-
Net asset value per share excluding deferred taxation (cents) (2)	2 152,80	2 167,54	2 025,27	-	-

(1) Net asset value is the value of the total assets (non-current assets plus current assets) minus total liabilities (non-current liabilities plus current liabilities). Assets include financial assets and liabilities include financial liabilities. Net asset value per share is determined by dividing the total net asset value by the total number of shares outstanding as at year end.

(2) Net asset value excluding deferred taxation is a measure that is specific to Acsion and is not required in terms of International Financial Reporting Standards or the JSE listing requirements. Net asset value per share excluding deferred tax is determined by adjusting the net asset value by deducting the net deferred tax liability.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
28. Cash (used in)/generated from operations				
Profit (loss) before taxation	102 142	653 619	(86 424)	(627)
Adjustments for:				
Depreciation	32 345	53 933	-	-
Dividends received	-	(1 199)	-	-
Investment income	(14 753)	(12 972)	3 531	(46 787)
Finance costs	46 354	63 765	17	46 448
Fair value changes	181 256	(304 606)	-	-
Movements in operating lease assets	11 728	1 033	-	-
Movements in provisions	2 070	795	-	-
Write off of Investment in group companies	-	1 541	-	-
Investment property expensed	-	19 828	-	-
Loss on sale of investment property	1 431	-	-	-
Increase in investment in subsidiary	-	-	(4 991)	-
Impairment of investment in subsidiaries	-	-	80 727	-
Impairment of owner occupied hotel	93 576	-	-	-
Changes in working capital:				
Trade and other receivables	(29 080)	45 762	4 560	22
Investment property - insurance receivable	-	(45 951)	-	-
Trade and other payables	77 634	57 756	1 444	(3 830)
	504 703	533 304	(1 136)	(4 774)

29. Contingencies

Guarantees received

The various Group companies have contingent assets in the form of guarantees provided by tenants that total R16.5 million (2020: R19.5 million).

The breakdown is as follows per entity:

	2021 R'm	2020 R'm
- Bengavista Proprietary Limited	-	-
- DAJM Property Investment Proprietary Limited	0.1	0.1
- Daybreak Properties 3 Proprietary Limited	0.8	1.0
- Double Ring Trading 62 Proprietary Limited	0.9	1.2
- Golden Falls 125 Proprietary Limited	7.5	9.6
- Nabuvax Proprietary Limited	1.0	1.1
- Nungu Trading 517 Proprietary Limited	0.6	0.7
- Proc Corp 160 Proprietary Limited	4.3	4.6
- Rubensmen Proprietary Limited	0.6	0.4
- Zarafusion Proprietary Limited	0.7	0.8

Operating Leases - as Lessor (Income) (R'000)

Operating lease income represents contractual rental received by the Group for its properties. Expected undiscounted contractual inflows based on current rental contracts are as follows at 28 February 2021:

	Within 1 year	Between 2 to 5 years	More than 5 years
Minimum lease contractual cash inflows	469 316	816 223	164 677
Straight-line rental adjustment	(22 929)	(77 143)	(42 806)
Future revenue	446 387	739 080	121 871

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

29. Contingencies (continued)

Guarantees issued

In the ordinary course of business, the Group issues guarantees to local councils and contractors to serve as guarantee for utility consumption, guarantee for land lease in Cyprus or payment guarantees for construction projects. As at year end, the Group has issued R25.1 million (2020: R24.4 million) in guarantees for this purpose. None of these guarantees are expected to expire in the near future.

Capital commitments

Significant capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

	2021 R'000	2020 R'000
Investment Property - Acsiopolis (approximate)	R450 000	R390 000
Investment Property - Larnaca (Cyprus) (estimate)	R125 000	R459 000

30. Related parties

Relationships

Subsidiaries in the Group

DAJM Property Investment Proprietary Limited (Simarlo Rainbow)
 Rubensmen Proprietary Limited (Moreleta Square)
 Proc Corp 160 Proprietary Limited (Mall@Reds)
 Golden Falls 125 Proprietary Limited (Mall@Carnival)
 Double Ring Trading 62 Proprietary Limited (Mall@Emba)
 Southern Palace Investments 108 Proprietary Limited (Anaprop Property Management)
 Daybreak Properties 3 Proprietary Limited (Mall@Moutsiya)
 Nungu Trading 517 Proprietary Limited (Mall@Lebo)
 Nabuvax Proprietary Limited (Mall@55 and Trade@55)
 Zarafusion Proprietary Limited (Mall@Mfula)
 Bengavista Proprietary Limited (Hyde Park Terrace)
 Lomastep Proprietary Limited (Acsiopolis)
 Fortuvov Proprietary Limited (Mall@Maputo)
 Zudolex Proprietary Limited
 Bengavox Proprietary Limited (Mall@Frankfort)
 Zudonetix Proprietary Limited
 Zudolex Cyprus Limited (Cyprus)
 Ornelia Developments Limited (Cyprus)

Directors

K Anastasiadis (executive)
 S le Roux (executive)
 TSB Jali (non-executive)
 M Hlobo (non-executive)
 PD Sekete (non-executive)

Associates

Shareholder with significant influence

Silver Crest Trading 134 Proprietary Limited
 Fortutrax Proprietary Limited (Shareholder of Acsion Limited) (75.53%)

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020
30. Related parties (continued)				
Shareholder with minority interest	RA Dlamini (45% in Zarafusion Proprietary Limited) Three Five Theda Proprietary Limited (1% in Zudolex Cyprus Limited) Johnas Investments Limited (1% in Zudolex Cyprus Limited) Astridonia Limited (1% in Zudolex Cyprus Limited) Ioannis Anastasiadis (1% in Zudolex Cyprus Limited) Michail Flourentzou (0.5% in Zudolex Cyprus Limited)			
Other related parties (Interests held by director)	Sapfo Proprietary Limited (Mr K Anastasiadis) K Anastasi Projects Proprietary Limited (Anastasi Construction) (Mr K Anastasiadis) J Anastasiadis (Mr I Anastasiadis)			
Close family member of directors	Kinsella Consultants Proprietary Limited (Ms J Anastasiadis)			
Other related parties of close family member of directors	MWRK Accountants and Auditors Inc.			
Company secretarial				
Related party balances				
Loan accounts - Loans to related parties				
Southern Palace Investments 108 Proprietary Limited	-	-	(424 090)	(426 899)
Golden Falls 125 Proprietary Limited	-	-	8 425	8 425
Nungu Trading 517 Proprietary Limited	-	-	102 784	102 784
Daybreak Properties 3 Proprietary Limited	-	-	11 438	11 438
Zudolex Proprietary Limited	-	-	3 258	3 258
Lomastep Proprietary Limited	-	-	199 327	199 327
K Anastasi Projects Proprietary Limited	(1 405)	(1 306)	-	-
RA Dlamini	(506)	4 053	-	-
A Nicoloudakis	(909)	(859)	-	-
I Anastasiadis	(909)	(781)	-	-
D Thomas	(909)	(859)	-	-
Three Five Theda Proprietary Limited	(909)	(781)	-	-
Amounts included in trade receivable regarding related parties				
Sapfo Proprietary Limited	68	9	-	-
Amounts included in trade payables regarding related parties				
K Anastasi Projects Proprietary Limited	75	75	-	-
Related party transactions				
Interest paid to / (received from) related parties				
Lomastep Proprietary Limited	-	-	-	(14 905)
K Anastasi Projects Proprietary Limited	75	339	-	-
Southern Palace Investments 108 Proprietary Limited	-	-	-	(31 554)
Purchases from related parties				
K Anastasi Projects Proprietary Limited	289 543	70 436	-	-
MWRK Accountants and Auditors Inc.				
Advisory fees	104	-	46	-
Statutory fees	211	-	178	-
Internal audit	181	-	-	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

30. Related parties (continued)

Management fee received from related parties

Southern Palace Investments 108 Proprietary Limited	-	-	7 143	8 639
---	---	---	-------	-------

Collection and letting commission

Sapfo Proprietary Limited	138	171	-	-
---------------------------	-----	-----	---	---

Normal guarantees furnished by construction companies were waived as construction is done by K Anastasi Projects Proprietary Limited.

Refer to note 31 for key management disclosure.

31. Directors' and prescribed officer's emoluments

The directors' emoluments below were paid by Acsion Limited (the 'Company'). Directors' compensation as salaried employees for Group and Company are the same.

Executive

2021

	Salary	Travel allowance	Total
K. Anastasiadis	2 538	120	2 658
S. le Roux	1 323	-	1 323
	3 861	120	3 981

2020

	Salary	Bonus	Total
K. Anastasiadis	2 948	-	2 948
S. le Roux	1 283	148	1 431
	4 231	148	4 379

Non-executive

2021

	Directors' fees	Total
D.J. Green	110	110
P.D. Sekete	221	221
M. Hlobo	221	221
T.S.B. Jali	221	221
H.N. Bila	110	110
	883	883

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

31. Directors' and prescribed officer's emoluments (continued)

2020

	Directors' fees	Total
D.J. Green	215	215
P.D. Sekete	215	215
M. Hlobo	215	215
T.S.B. Jali	215	215
H.N Bila	215	215
	1 075	1 075

Prescribed officers

2021

	Salary	Bonus	Leave paid out	Travel allowance	Total
I Anastasiadis	1 152	-	-	-	1 152
A Nicoloudakis	1 261	-	-	-	1 261
AN Kyriazis	1 260	-	-	-	1 260
D Thomas	1 253	105	315	8	1 681
	4 926	105	315	8	5 354

2020

	Salary	Bonus	Travel allowance	Total
I Anastasiadis	1 220	104	51	1 375
A Nicoloudakis	1 154	92	-	1 246
AN Kyriazis	1 260	103	-	1 363
D Thomas	1 220	-	51	1 271
	4 854	299	102	5 255

32. Going concern

The consolidated and separate Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The directors believe that the Group has adequate financial resources to continue in operation for the foreseeable future and accordingly the consolidated and separate Annual Financial Statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Group is in a sound financial position and that it will have access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the Group. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Group.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

32. Going concern (continued)

The directors are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the next 12 months after a review of the Group's cash flow forecast for the 12 months ending 30 June 2022 and the current financial position. For the year ended 28 February 2021, the current liabilities exceed the current assets for the Group mostly due to the expiry of the main Group facility, currently secured over Proc Corp 160 Proprietary Limited, at the end of May 2021 requiring a repayment of approximately R688 million. A new facility of approximately R963 million has been secured over Golden Falls 125 Proprietary Limited (a subsidiary within the Group) to replace the expiring facility. Information on the terms and conditions of the facility as well as the assessment of Group liquidity is discussed later on in this note.

At a Company level the current liabilities also exceed the current assets at 28 February 2021 and for that reason a letter of support has been obtained from Southern Palace Investments 108 Proprietary Limited, the management company within the Group. The letter of support gives Acsion Limited assurance that the loan due to Southern Palace 108 Proprietary Limited of R424 million will not be called in until the Company's liquidity is established and not jeopardised by such repayment.

Solvency information at 28 February 2021

Solvency	R'000
Net asset value	7 165 720
Group liquidity information over next 12 months	R'000
Net current liabilities at year-end	(804 574)
Rand based revolving credit facility raised with Standard Bank repayable after 36 months, bearing quarterly interest at the 3 month JIBAR rate + 2.02%	300 000
Rand based term loan facility raised with Standard Bank repayable after 36 months bearing quarterly interest at the 3 month JIBAR rate + 2.15%	300 000
€20 000 000 Euro based borrowings raised with Standard Bank repayable after 12 months by June 2022. Interest payable quarterly commencing in June 2021 at the 3 month Euribor rate + 1.7% *	363 820
Property development cost commitments	(525 000)
	(365 754)

* Refer comment at the end of this note under security provided for the new facility.

Liquidity Ratio for the group as at 28 February 2021:

Current ratio to 1	0,19
Acid test ratio to 1	0,15

The Group has replaced the expiring facility of R700 million in May 2021 with a new facility as discussed in this note. Any shortfall on funding obtained from this source will be supplemented by operational cash generation and by obtaining additional mortgage borrowings against investment properties based on current low loan to value gearing ratio of the Group.

Given the Group's very low loan to value gearing ratio of 9.85%, its sound profit to cash generation and its ability to raise further funding if needed, the Group is confident it is able to trade as a going concern for the forthcoming year and beyond. This confidence is further enhanced by the fact that the Mall@Larnaca has consumed cash for construction over the last two years, but will generate positive cash flows after opening in July 2021, currently estimated at approximately R13 million per month.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

32. Going concern (continued)

Security for the new Standard bank facility raised in May 2021:

Security description	Security value R'000	Year-end property value R'000
The Mall@Carnival	1 300 000	2 444 666

The security over Mall@Carnival is for a period of three years although the Euro portion of the facility is repayable within 12 months. Management believe that this portion can be relatively easily extended for a further period should it be required.

Debt Covenant Requirements at 28 February 2021

Covenants as at 28 February 2021 for bank borrowings secured over Proc Corp 160 Proprietary Limited expiring at end of May 2021 were as follows:

Covenant description (Trigger)	Covenant	Achieved 2021
Acsion Limited Group		
Corporate loan to value (maximum)	45%	8%
Maximum ratio of total Group indebtedness to the most recent property holdings value		
Acsion Limited Group		
Corporate interest cover ratio (minimum)	1,6	12,07
Minimum ratio of net rental income to net interest incurred		
Proc Corp 160 Proprietary Limited		
Maximum corporate loan to property value	65%	48%
Proc Corp 160 Proprietary Limited		
Minimum corporate interest cover ratio	1,6	2,25

None of the covenants were breached or were within close proximity of being breached.

There are no specific covenants relating to the facility which Nungu Trading 517 Proprietary Limited has with Nedbank Limited.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

33. Financial instruments and risk management

Categories of financial instruments

Categories of financial assets

Group - 2021

	Note(s)	Financial assets at amortised cost	Fair value through profit or loss	Non financial assets	Total
Goodwill	9	-	-	625 464	625 464
Investment property	3	-	8 242 773	-	8 242 773
Property, plant and equipment	4	-	-	645 639	645 639
Operating lease asset	5	-	-	144 021	144 021
Intangible development project asset	8	-	-	165	165
Other financial assets	10	539	-	-	539
Trade and other receivables	14	30 508	-	30 306	60 814
Current tax receivable		-	-	1 124	1 124
Cash and cash equivalents	15	65 623	-	-	65 623
Deferred tax asset	17	-	-	3 415	3 415
Inventories	13	39 592	-	-	39 592
		136 262	8 242 773	1 450 134	9 829 169

Group - 2020

	Note(s)	Financial assets at amortised cost	Fair value through profit or loss	Non financial assets	Total
Goodwill	9	-	-	625 464	625 464
Investment property	3	-	7 854 029	-	7 854 029
Property, plant and equipment	4	-	-	747 674	747 674
Loans to shareholders	12	4 053	-	-	4 053
Operating lease asset	5	-	-	155 749	155 749
Intangible development project asset	8	-	-	165	165
Other financial assets	10	-	-	5 432	5 432
Trade and other receivables	14	17 628	-	8 592	26 220
Current tax receivable		-	-	2 213	2 213
Cash and cash equivalents	15	223 080	-	-	223 080
Deferred tax asset	17	-	-	2 032	2 032
		244 761	7 854 029	1 547 321	9 646 111

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

33. Financial instruments and risk management (continued)

Categories of financial assets (continued)

Company - 2021

	Note(s)	Financial assets at amortised cost	Non-financial assets	Total
Investments in subsidiaries	9	3 607 825	-	3 607 825
Loans to group companies	11	325 232	-	325 232
Cash and cash equivalents	15	12 794	-	12 794
Deferred tax asset	17	-	18 854	18 854
		3 945 851	18 854	3 964 705

Company - 2020

	Note(s)	Financial assets at amortised cost	Non-financial assets	Total
Investments in subsidiaries	9	3 683 562	-	3 683 562
Loans to group companies	11	325 232	-	325 232
Trade and other receivables	14	4 560	-	4 560
Current tax receivable		-	194	194
Cash and cash equivalents	15	20 695	-	20 695
		4 034 049	194	4 034 243

Categories of financial liabilities

Group - 2021

	Note(s)	Financial liabilities at amortised cost	Non-financial liabilities	Total
Trade and other payables	20	252 609	12 061	264 670
Loans from shareholders	12	4 142	-	4 142
Right of use lease liabilities	19	-	236 744	236 744
Dividend payable		6	-	6
Other financial liabilities	18	718 116	-	718 116
Provisions		-	6 564	6 564
Deferred tax liability	17	-	1 405 000	1 405 000
Current tax payable		-	28 207	28 207
		974 873	1 688 576	2 663 449

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

33. Financial instruments and risk management (continued)

Categories of financial liabilities (continued)

Group - 2020

	Note(s)	Financial liabilities at amortised cost	Non-financial liabilities	Total
Trade and other payables	20	163 293	22 727	186 020
Loans from shareholders	12	3 280	-	3 280
Right of use lease liability	19	-	227 287	227 287
Dividend payable		6	-	6
Other financial liabilities	18	632 660	-	632 660
Provisions		-	4 529	4 529
Current tax payable		-	3 078	3 078
Deferred tax liability	17	-	1 489 340	1 489 340
		799 239	1 746 961	2 546 200

Company - 2021

	Note(s)	Financial liabilities at amortised cost	Non-financial liabilities	Total
Trade and other payables	20	2 141	409	2 550
Loans from group companies	11	424 090	-	424 090
Dividend payable		6	-	6
		426 237	409	426 646

Company - 2020

	Note(s)	Financial liabilities at amortised cost	Non-financial liabilities	Total
Trade and other payables	20	1 086	24	1 110
Loans from group companies	11	426 899	-	426 899
Dividend payable		6	-	6
Other financial liabilities	18	407	-	407
		428 398	24	428 422

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

33. Financial instruments and risk management (continued)

Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for Shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of debt, which includes the borrowings (excluding derivative financial liabilities) disclosed in notes 10, 11, 12, 19 and 18; cash and cash equivalents as disclosed in note 15, and, equity as disclosed in the Statements of Financial Position.

Consistent with others in the industry, the Group monitors capital on the basis of the loan to value ratio. The Group's loan value ratio as at 28 February 2021 is 9.85% (2020: 4.68%). The Group is currently satisfied with this ratio but intends to increase the ratio going forward.

There are no externally imposed capital requirements. The Group aims to maintain property loan to value ratio below 45%.

From time to time, the Group repurchases its shares on the market in terms of approval obtained at the Annual General Meeting. There is no defined share buyback plan.

Financial risk management

Credit risk

Credit risk is the risk of loss that may occur from the failure of any party (default) to abide by the terms and conditions of any financial contract, in principal the failure to make required payments due to an entity.

Credit risk consists of risks arising from cash deposits, cash equivalents and trade debtors. The Group only deposits cash with major banks with high quality credit ratings and limits exposure to any one institution.

Trade receivables comprise a widespread customer base. Management evaluates credit risk relating to defaulting customers on an ongoing basis. If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating of the credit quality of the customer, taking into account its financial position, past experience and other factors.

Please refer to the Trade and other receivables note for the age analysis of financial assets past due but not impaired.

Maximum credit exposure at year end is made up of loans to Group companies, loans to shareholders, trade and other receivables and cash and cash equivalents.

The maximum exposure to credit risk is presented in the table below:

Group		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Trade and other receivables	14	31 989	(1 481)	30 508	20 375	(2 746)	17 629
Cash and cash equivalents	15	65 623	-	65 623	223 080	-	223 080
		97 612	(1 481)	96 131	243 455	(2 746)	240 709

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

33. Financial instruments and risk management (continued)

Company		2021			2020		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans to group companies	11	325 232	-	325 232	63 512	-	63 512
Cash and cash equivalents	15	12 794	-	12 794	20 695	-	20 695
		338 026	-	338 026	84 207	-	84 207

Liquidity risk

The Group's risk relates to the Group's possible inability to meet short-term financial obligations. The Group manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the Group's financial liabilities into relevant maturity groupings. This is based on the remaining period at the Statements of Financial Position date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Group - 2021

		Less than 1 year	2 to 5 years	Over 5 years
Financial liabilities	18	689 147	27 008	1 961
Right of use lease liability	19	7 793	38 300	287 709
		696 940	65 308	289 670

Refer note 19 for more detail on undiscounted cash flows due after five years.

The right-of-use liability is to be settled in Euro. The year-end conversion rate used was R18.19 (2020: R17.18).

Group - 2020

		Less than 1 year	2 to 5 years	Over 5 years
Non-current liabilities				
Financial liabilities	18	583 752	42 992	5 936
Right of use lease liability	19	7 301	35 813	280 889
		591 053	78 805	286 825

Foreign currency risk

The Group is exposed to foreign currency risk as a result of certain borrowings and leases which are denominated in foreign currencies (note 12). Exchange rate exposure is managed within approved policy parameters. The foreign currency in which the Group deals primarily is Euros.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

33. Financial instruments and risk management (continued)

Exposure in Rand

The net carrying amount, in Rand, of the current exposure, is denominated in the following currency. The amount has been presented in Rand by converting the foreign currency amount at the closing rate at the reporting date:

Euro exposure:

Current liabilities:

Other financial liabilities	18	(218 332)	-	-	-
Net Euro exposure		(218 332)	-	-	-

Exchange rates

The following closing exchange rates were applied at reporting date:

Rand per unit of foreign currency:

Euro	18,191	17,180	-	-
------	--------	--------	---	---

The average exchange rate to the Euro for the year was R19.00 (2020: R16.25).

Foreign currency sensitivity analysis

The following information presents the sensitivity of the Group to an increase or decrease in the respective currencies it is exposed to. The sensitivity rate is the rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated amounts and adjusts their translation at the reporting date. No changes were made to the methods and assumptions used in the preparation of the sensitivity analysis compared to the previous reporting period.

Group	2021	2021	2020	2020
Increase or decrease in rate	Increase	Decrease	Increase	Decrease
Impact on profit or loss (R'000):				
Euro 1% (2020: 1%)	(1 571)	1 571	-	-

Interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Group policy is not to fix any of its interest rates on long-term borrowings at this stage.

The risk scenarios are run only for liabilities that represent the major interest-bearing positions. Based on the simulations performed, the impact on post-tax profit of a 1% shift in the interest rate would be a maximum increase or decrease of R5.170 million (2020: R4.555 million) depending on direction of the interest rate change. The assumption used is based on other variable factors remaining constant. The method used to calculate the sensitivity is the straight-line interest rate method. It is therefore not perceived by the Group as a major risk at this point in time. Should the interest bearing positions increase significantly, the Group will consider to change the current policy.

34. Events after the reporting period

There have been no material events identified subsequent to year end which would have an impact on the financial statements except for intergroup dividends declared of R200 million to Acsion Limited during March 2021 and the replacement of the previous Group facility of R700 million that expired end of May 2021. Refer to note 32 for more detail on the new facility.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

34. Events after the reporting period (continued)

Subsequent to year-end 8 million Acsion shares were repurchased by one of the Group subsidiaries at R4 per share from the Papas Trust.

35. Segmental reporting

Due to the current investment property exposure heavily weighted (97%) towards retail, the chief operating decision maker considers the operations to be a single operating segment and as such reviews the financial information on that basis. Segment reporting as required in terms of IFRS 8: Operating Segments is therefore not applicable to the Group as present.

All revenues earned are attributable to South Africa and is derived from the investment property portfolio. No revenue earned from an individual customer exceeds 10%. These conclusions will be reconsidered at each reporting date.

From a geographical perspective, five developed properties are situated within the borders of Gauteng, two in Limpopo and two in Mpumalanga. All investment properties are within a 450km radius from one another.

Once Mall@Larnaca is completed, there would be a property in Cyprus generating income.

36. Non-controlling interest

Opening balance	61 045	55 565	-	-
Profit for the year	44 054	5 480	-	-
	105 099	61 045	-	-

The non-controlling interest balance recognised is in relation to the following:

Zarafusion Proprietary Limited (South Africa)	45.0% shareholding
Zudolex Cyprus Limited (Cyprus)	4.5% shareholding

The following summarised information for Zarafusion Proprietary Limited is before intercompany eliminations.

	2021	2020
Revenue	40 025	39 717
Operating profit	17 553	6 189
Investment income	321	-
Finance costs	(21 405)	(12 426)
Fair value adjustments	69 568	21 479
Profit before tax	66 037	15 242
Taxation	(12 866)	(3 066)
Profit for the year	53 171	12 176
Profit attributable to NCI	23 927	5 480
Non-current assets	369 121	309 138
Current assets	4 422	2 757
Non-current liabilities	(51 814)	(38 948)
Current liabilities	(136 190)	(140 579)
Net assets	185 539	132 368
Net assets attributable to NCI	83 493	59 566
Cash flows from operating activities	4 211	14 162
Cash flows from investing activities	(38)	(15)
Cash flows from financing activities	(4 165)	(14 142)
Net increase in cash and cash equivalents	8	5

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

	Group		Company	
Figures in Rand thousand	2021	2020	2021	2020

36. Non-controlling interest (continued)

Key financial information relating to Zudolex Cyprus Limited was the following:

The following summarised information for Zudolex Cyprus Limited is before intercompany eliminations.

	2021
Revenue	5 987
Operating profit	39 925
Finance costs	(7 159)
Fair value adjustments	517 229
Profit before tax	549 995
Taxation	(104 497)
Profit for the year	445 498
Other comprehensive income	1 780
Profit attributable to NCI	20 128
Non-current assets	1 447 628
Current assets	22 657
Non-current liabilities	(348 776)
Current liabilities	(641 366)
Net assets	480 143
Net assets attributable to NCI	21 606
Cash flows from operating activities	62 497
Cash flows from investing activities	(345 777)
Cash flows from financing activities	(283 117)
Effect of foreign exchange rate movement on cash balances	(14 445)
Net increase in cash and cash equivalents	(580 842)

Year-end conversion of Cyprus operations was done at an exchange rate of R18.191.

The average exchange rate was approximately R19.00 to the Euro for the financial year.

37. Tax paid

Balance at beginning of the year	(865)	(2 243)	194	194
Normal tax transfer to deferred tax	(494)	-	-	-
Current tax for the year recognised in profit or loss	(97 500)	(104 656)	(194)	-
Balance at end of the year	27 083	865	-	(194)
	(71 776)	(106 034)	-	-

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

38. Prior year errors

The correction of the error(s) results in adjustments as follows for consolidated Group results:

Statement of Financial Position

28 February 2019

	Intangible development project asset R'000	Deferred tax asset R'000	Retained income R'000	Revaluation reserve R'000	Deferred tax liability R'000
As previously reported	233 296	24 352	2 828 881	22 567	(1 405 014)
Consolidation error (Note 1)	-	-	(29 862)	-	(29 862)
Use rate error (Note 2)	-	-	-	(18 854)	(18 854)
Reclassification (Note 3)	-	(22 607)	-	-	22 607
Project impairment (Note 4)	(199 835)	-	(199 835)	-	-
Asset overstatement (Note 5)	(33 296)	-	(33 296)	-	-
As currently reported	165	1 745	2 565 888	3 713	(1 431 123)

29 February 2020

(Note 17)

	Deferred tax asset	Deferred tax liability
As previously reported	46 622	(1 485 214)
Reclassification (Note 3)	(44 590)	44 590
2019 restatements (Notes 1 and 2)	-	(48 716)
As currently reported	2 032	(1 489 340)

Note 1

Deferred taxation attributable to assets raised on consolidation not required.

Note 2

Deferred taxation attributable to change of intention to owner occupied for Acsiopolis Hotel omitted in error in 2019.

Note 3

Reclassification of deferred tax assets to deferred tax liabilities.

Note 4

Upon listing the Group acquired a previously negotiated project with the Mozambican government for the development of a parcel of land outside Maputo valued at R200 million in a share based transaction. Since this time no conditions precedent or developments have been actioned by either party. The delays in actioning the agreement have been attributed to the change in the Mozambican government, adverse economic and fiscal constraints, unfavourable exchange rates and challenges faced by other developers in the region over the past number of years. The current year valuation indicated that the asset is fully impaired. On further investigation, management were of the view that the asset had unfavourable indicators in prior years. Under these circumstances, management made a decision to impair the intangible asset in a prior year.

Note 5

Acsiopolis hotel development intangible arising at acquisition, previously amortised over the project period resulting in an asset overstatement on consolidation, now reversed with retrospective effect.

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

38. Prior year errors (continued)

The correction of the error(s) results in adjustments as follows for the Company results:

Statement of Financial Position

28 February 2019

	Investments in subsidiaries R'000	Accumulated loss R'000
As previously reported	3 910 682	(146 388)
Investment in subsidiary written off (Note 6)	(27 285)	(27 285)
Investment in subsidiary impaired (Note 7)	(199 835)	(199 835)
As currently reported	3 683 562	(373 508)

29 February 2020

	Investments in subsidiaries R'000	Accumulated loss R'000
As previously reported	3 910 682	(147 015)
Investment in subsidiary written off (Note 6)	(27 285)	(27 285)
Investment in subsidiary impaired (Note 7)	(199 835)	(199 835)
As currently reported	3 683 562	(374 135)

Note 6

The investment in Nabuvax Proprietary Limited was raised at an incorrect acquisition cost by the holding company. The incorrect acquisition cost arose as a result of incorrect equity earnings which were accounted for pre taxation. The carrying amount of the equity investment was declared as a dividend in specie resulting in the excess cost. Therefore the cost of the investment is reduced with retrospective effect.

Note 7

The investment in Fortuvox Proprietary Limited was raised based on the value of the Maputo project as per restatement note 4 above.

The impairment of the development project resulted in the impairment of the investment in the subsidiary.

39. COVID-19 Tenant relief and impairments

Approximately R83 million of rental income related to the period of the COVID-19 lockdown in 2020 during which time many tenants were prevented from having free access to their premises as a result of the government's COVID regulations. At the time, there was significant doubt as to whether the Group was legally entitled to charge tenants for this period. Subsequently, the Group agreed to grant R11.7 million of rental relief in respect of this period, and collected approximately R18.5 million of the R83 million rental income. The Group thus recognised all rental income for the year ended 28 February 2021 in respect of the 2020 COVID-19 lockdown period. Since there remains doubt about the legal right to recover approximately R52.8 million from the tenants, this amount has been expensed and is included in the expected credit loss expense for the current year.

The relief was provided by way of rental discounts with the discounts provided mostly to retail line shops, restaurants, fast food and entertainment tenants, being the tenant categories most severely affected during lockdown. Of the R11.7 million of rental discounts provided, R4.5 million related to relief provided to large national retailers based on negotiations re rental relief proposals received from these tenants. The balance of relief was mostly negotiated on a group specific storage-based methodology. The discounts that were accepted by tenants to date resulted in R11.7 million in aggregate income loss within the retail sector, being the dominant sector for the Group's operations.

Rental discounts provided to date comprised of the following broad categories:

Restaurants & Fast foods	R3.1 million
Entertainment	R0.7 million
Other retailers	R7.9 million

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

39. COVID-19 Tenant relief and impairments (continued)

Discounts and impairments relating to Covid-19 tenant dues (excluding VAT) for the year ended 28 February 2021 are set out below:

Covid Relief Granted	R'000
The Mall @ 55 and Trade 55 (Nabuvax Proprietary Limited)	420
The Mall @ Carnival (Golden Falls Trading 125 Proprietary Limited)	6 427
The Mall @ Emba (Double Ring Trading 62 Proprietary Limited)	844
The Mall @ Lebo (Nungu Proprietary Limited)	516
The Mall @ Mfula (Zarafusion Proprietary Limited)	294
The Mall @ Moutsiya (Daybreak Properties 3 Proprietary Limited)	212
The Mall @ Reds (Proc Corp 160 Proprietary Limited)	2 401
Moreleta Square (Rubensmen Proprietary Limited)	521
Simarilo Rainbow (DAJM Properties Proprietary Limited)	69
Total COVID-19 relief attributable to rentals	11 704
Bad debt / impairment attributable to COVID 19	52 803
Total COVID-19 tenant dues not recoverable	64 507

Rental income for the six months ended 31 August 2020

In the 2020 interim results, approximately R83 million of rental income was not recognised because there was significant doubt as to whether the Group was legally entitled to charge tenants for the COVID-19 lockdown period in 2020 during which time many tenants were deprived of free access to their premises as a result of the government's COVID-19 regulations. No tenant relief had been provided by 31 August 2020. During the JSE's proactive monitoring review process on the 2020 interims, the JSE concluded that this accounting treatment was incorrect and that IFRS16 Leases requires the total rental income specified in the lease contract to be recognised as rental income on a straight-line basis over the lease term without regard for whether some of the lease payments are legally enforceable or not. A separate expense (either expected credit loss or bad debt) should be recognised to the extent the amount of income recognised is not expected to be collected for whatever reason. Accordingly, the 2020 interim results presented as comparative figures in the 2021 Interim results will be restated. The annual financial statements for the year ended 28 February 2021 have been prepared on this revised basis. Refer to note 21.

The unaudited restated interim results for the six months ended 31 August 2020, as a result of the above rental revenue recognition treatment, are set out below:

	Unaudited restated interim results 2020 R'000	Unaudited published interim results 2020 R'000
Revenue	347 525	264 522
Other operating expenses	(203 195)	(120 192)

40. Additional disclosures regarding the investment property portfolio

(a) Geographical profile by rentable area

Gauteng – 68%
Mpumalanga – 17%
Limpopo – 15%

(b) Geographical profile by revenue

Gauteng – 73%
Mpumalanga – 15%
Limpopo – 12%

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

40. Additional disclosures regarding the investment property portfolio(continued)

(c) Sector profile by rentable area

Metropolitan retail – 66%
Rural retail – 32%
Light industrial – 2%

(d) Sector profile by revenue

Metropolitan retail – 71%
Rural retail – 28%
Light Industrial – 1%

(e) Tenant profile based on tenant grading:

Indicator of grading:

A – Large national tenants and major franchisees with turnover greater than R1 billion

B – Other national tenants and franchisees with turnover less than R1 billion

C – Line tenants including kiosks

Tenant profile by revenue

A – 70%

B – 13%

C – 17%

Tenant profile by rentable area

A – 75%

B – 12%

C – 13%

(f) Vacancy profile by sector, by rentable area

Retail – 5%
Industrial – 17%

(g) Lease expiry profile, based on existing leases, by revenue per sector

	2022	2023	2024	2025	After 2025
Metropolitan retail	35%	22%	18%	5%	20%
Rural retail	26%	30%	11%	23%	10%
Light industrial	28%	30%	41%	-	1%

(h) Lease expiry profile, based on existing leases, by rentable area per sector

	2022	2023	2024	2025	After 2025
Metropolitan retail	26%	18%	20%	4%	32%
Rural retail	23%	27%	10%	27%	13%
Light industrial	40%	40%	20%	-	-

(i) Weighted average rental per sqm rentable area per sector

Metropolitan retail – R171.29

Rural retail – R156.21

Light industrial – R69.63

(j) Weighted average rental escalation profile (based on existing leases), by rentable area by sector

Metropolitan retail – 6.9%

Rural retail – 7.0%

Light industrial – 8.7%

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Notes to the Annual Financial Statements

40. Additional disclosures regarding the investment property portfolio(continued)

(k) Average annualised property yield – 5.9%

(l) Average net rental per square meter (including Anchor tenants)

Development	2021 Rand	2020 Rand
Mall@Carnival	187,23	172,57
Mall@Emba	174,80	163,10
Mall@Lebo	157,73	154,05
Mall@Moutsiya	129,77	121,52
Mall@Mfula	151,06	139,10
Mall@Reds	161,87	163,47
Mall@55	142,21	132,98
Moreleta Square	117,05	124,94
Simarlo Rainbow	69,63	58,97

Acsion Limited and its subsidiaries

(Registration number 2014/182931/06)

Trading as Acsion Limited

Audited Consolidated And Separate Annual Financial Statements for the year ended 28 February 2021

Appendix A - Additional Information

1. Shareholder information

	Shares held 2021 '000	Shares held 2021 %	Shares held 2020 '000	Shares held 2020 %
Beneficial shareholders holding more 5.0% or more of Acsions issued share capital are as follows:				
Fortutrax Proprietary Limited*	298 305	75,53%	290 867	73,64%
The Papas Trust	27 443	6,95%	27 453	6,95%
*Mr. K Anastasiadis is a director	325 748	82,48%	318 320	80,59%
Beneficial shareholders spread				
	Number of shares held 2021	% 2021	Number of shares held 2020	% 2020
Directors and their related parties	301 103	76,24%	301 270	76,28%
Officers of the Company	2 236	0,57%	-	-
Non-public	303 339	76,80%	301 270	76,28%
Public	91 621	23,20%	93 690	23,72%
	394 960	100%	394 960	100%

APPENDIX B – RESTATEMENT OF 2020 INTERIM RESULTS – REVALUATION OF INVESTMENT PROPERTIES

1. RESTATEMENTS OF 31 AUGUST 2020 INTERIM RESULTS (“RESTATEMENTS”)

Investment properties were not revalued as required in the 31 August 2020 Interims published on 26 November 2020 because it was the Board of Directors’ view that there was no reliable information with which to prepare the property valuations given the significant uncertainty created by COVID-19. In response to the JSE’s findings from its proactive monitoring review of the 2020 Interims, property valuations as of 31 August 2020 were performed and this information, together with the impact thereof on the 2020 Interims was published on 5 March 2021.

When the 2021 Interims are published, the comparative information related to the 2020 Interims will be restated. The effects of the restatement are set out below:

Statement of financial position (R’000)

Item	Previously reported	Restated	% Change
Investment property	8 213 406	8 035 965	(2.2%)
Retained income	3 408 052	3 340 782	(2.0%)
Deferred tax liability	1 494 499	1 475 081	(1.3%)

Statement of Profit or Loss (R’000)

Item	Previously reported	Restated	% Change
Fair value loss	-	(86 688)	(100.0%)
Profit before tax	135 408	48 720	(64.0%)
Taxation	(40 462)	(21 043)	(48.0%)
Profit for the period	94 946	27 676	(70.8%)

The restated profit for the six months ended 31 August 2020 is R67 million less than the profit previously reported. This decrease represents approximately 4% of the market capitalisation at 26 November 2020.

Ratios

Headline earnings per share (“HEPS”) and basic earnings per share (“EPS”) were previously reported at 23.8 cents per share. After the Restatements, the 2020 Interims reflects a HEPS of 27.67 cents per share and a basic EPS of 6.7 cents per share.

Net asset value per share decreased to 1 880.9 cents from the previously reported 1 898.1 cents, a decrease of 0.9%.

The information relating to the Restatements has not been reviewed or reported on by Accion's auditors.

2. DETAILS OF VALUATIONS AS AT 31 AUGUST 2020

2.1 Methodology of the Valuations

The Group mostly make use of discounted cash flow or income capitalisation methodology as basis when determining the fair value of investment properties. In the interim period, Acsiopolis was valued using a residual valuation technique. At least one third of the properties are valued externally and the balance is valued by the directors of Accion. A property will be externally valued at least once every three years. The fair values of all investment properties for the Group are classified as Level 3 within the fair value hierarchy in IFRS 13 Fair value measurement. There were no transfers between Levels 1, 2 and 3 during the six months ended 31 August 2020.

2.2 Independent valuer

The Group has employed the services of Mrs A de Wet of Amanda De Wet Consultants and Investors, a professional valuer registered in accordance with section 20(2)(a) of the Property Valuers Professional Act 47 of 2000 (Registration number 5542) for external valuations for the six months ended 31 August 2020. Mrs de Wet is not connected to the Group and has recent experience in location and category of the investment properties valued. She holds BProc and LLB qualifications and has completed a National Diploma in real estate.

2.3 Completed developments

Completed developments were valued using the discounted cash flow of future income streams method by internal valuation. External valuers have the discretion to use their own valuation method.

Mrs A de Wet has used the income capitalisation method based on future cash flows, being her preferred method of valuation.

2.4 Developments under construction

The Group measures investment properties under construction at cost until either its fair value becomes reliably determinable or construction is completed. For the six months ended 31 August 2020, Mall@Larnaca has been valued by Mrs A de Wet using the income capitalisation method, being her preferred method of valuation. Acsiopolis has been valued by Mrs A de Wet using a residual valuation technique.

3. PROPERTY PORTFOLIO INFORMATION

3.1 Developed investment properties

The developed investment properties as at 31 August 2020 consisted of the following ten properties:

Property name	Directors'/ independent valuation 31 August 2020 (Rm)	GLA (m ²)	Value/m2 (excluding bulk, where applicable)	Percentage of total portfolio by value (%)
Mall@Reds*	1 411	54 740	25 667	2.5
Mall@Emba	580	24 605	23 572	9.2
Mall@Moutsiya	228	14 703	15 507	3.6
Mall@Carnival*	2 595	90 615	28 031	41.3
Mall@Lebo	566	23 534	24 050	9.0
Mall@Mfula	353	17 930	19 688	5.6
Mall@55*	318	15 969	18 681	5.1
Moreleta Square	130	8 579	15 153	2.1
Simarlo Rainbow	49	6 891	7 111	0.8
Hyde Park Terrace	53	-	-	0.8
	6 283	257 566	177 460	100.0

3.2 Developments under construction

Developments under construction as at 31 August 2020 consisted of the following properties classified as investment properties:

	Independent valuation 31 August 2020 (Rm)	GLA (m ²)	Value/m2 (excluding bulk, where applicable)	Anticipated opening
Acsiopolis*	919	37 437	22 851	During 2021 calendar year July 2021
Larnaca*	1 062	39 000	27 242	
Trade @ 55*	40	10 000	4 000	Negotiating
	2 021	86 437	54 093	

*Independently valued

No investment properties were acquired during the six months ended 31 August 2020, however additional capital expenditure was incurred during this period.

3.3 Information about Fair Value Measurements using significant unobservable inputs (Level 3) - 31 August 2020

Property Name	Valuation Value (R'000)	Valuation Technique	Discount Rate	Exit Capitalisation rate for terminal value	Sensitivity (change in property value)			
					Increase in discount rate of 50 basis points	Decrease in discount rate of 50 basis points	Increase in capitalisation rate of 50 basis points	Decrease in capitalisation rate of 50 basis points
					R'000	R'000	R'000	R'000
Completed Developments (South Africa)								
Simarlo Rainbow (Light Industrial)	48,726	Discounted Cash Flow Method by directors	15.00%	10.30%	- 688	702	- 1,509	1,663
Mall@Reds (Retail)	1,411,000	Income Capitalisation Method by Mrs A de Wet	12.80%	7.80%	-	-	- 84,201	95,735
Mall@Carnival (Retail)	2,595,000	Income Capitalisation Method by Mrs A de Wet	12.50%	7.50%	-	-	- 158,549	181,199
Mall@55 (Retail)	318,740	Income Capitalisation Method by Mrs A de Wet	13.50%	8.50%	-	-	- 18,034	17,002
Mall@Lebo (Retail)	565,705	Discounted Cash Flow Method by directors	14.00%	8.50%	- 8,327	8,502	- 22,561	25,381
Mall@Moutisiya (Retail)	228,321	Discounted Cash Flow Method by directors	14.00%	8.50%	- 3,361	3,431	- 9,106	10,244
Mall@Emba (Retail)	579,798	Discounted Cash Flow Method by directors	14.00%	9.00%	- 8,454	8,631	- 21,471	23,997
Mall@Mfula (Retail)	353,332	Discounted Cash Flow Method by directors	14.00%	8.50%	- 5,201	5,310	- 14,091	15,853
Moreleta Square (Retail)	130,104	Discounted Cash Flow Method by directors	14.50%	9.00%	- 1,890	1,929	- 4,822	5,389
Hyde Park Terrace (Residential consisting of 5 houses and 6 land parcels)*	52,908	Market Value (based on similar assets sold)			-	-	-	-
6,283,634					- 27,921	28,505	- 334,345	376,465

* Increase in R100 per Sqm vacant land would increase valuation by R310 800. Increase of R100 per Sqm building area would increase valuation by R253 000. The contra would be the case for similar decreases.

Developments under construction - Cyprus	Valuation Value (R'000)	Valuation Technique	Exit Capitalisation rate for terminal value	Sensitivity (change in property value)	
				Increase in exit capitalisation rate of 50 basis points (R'000)	Decrease in exit capitalisation rate of 50 basis points (R'000)
Mall@Larnaca (Retail) - Development on leased land.	1,062,459	Income Capitalisation Method by Mrs A de Wet	9%	- 50,344	56,266

Mixed Use development under construction - South Africa	Valuation Value (R'000)	Valuation Technique	Discount Rate / Bulk rate per sqm (Rand) (if applicable)	Exit Capitalisation rate for terminal value	Average selling price per Sqm (apartments) (Rand)	Sensitivity (change in property value)					
						Increase in discount rate of 50 basis points (Apartments) (R'000)	Decrease in discount rate of 50 basis points (Apartments) (R'000)	Increase of 50 basis points in exit capitalisation rate (retail) (R'000)	Decrease of 50 basis points in exit capitalisation rate (retail) (R'000)	Increase of 100 basis points in selling price per Sqm (apartments) (R'000)	Decrease of 100 basis points in selling price per Sqm (apartments) (R'000)
Acsiopolis (Mixed Use)	918,600	Income Capitalisation Method by Mrs A de Wet for retail. Residual method for apartments by Mrs A de Wet	12.5% - 13%	8%	42 000	- 6,000	6,000	- 296,561	336,102	9,000	- 9,000
Trade@55 - Bulk of 10 000 Sqm	40,000	Bulk valued by Mrs A de Wet	R1 250 - R2 000								
958,600											

3.4 **Reconciliation of investment properties carrying values and property valuation values as at 31 August 2020**

	R'000
Investment properties at fair value	8 035 965
Investment properties leased assets and equipment	112 979
Operating lease asset	155 749
Property valuation values	8 304 693

3.5 **Reconciliation of investment properties carrying values for the six months ended 31 August 2020**

	R'000
Opening balance at 1 March 2020	7 854 029
Capital expenditure	172 672
Disposal	(1 434)
Fair value adjustment	(86 688)
Foreign currency translation	97 386
Closing balance at 31 August 2020	8 035 965

3.6 **Sensitivity analysis**

The estimated impact of a change in the significant unobservable inputs would result in a change in the investment properties fair value estimation for the group as a whole:

Properties excluding mixed use development

	R'000
An increase of 50 basis points in the discount rate:	(27 921)
A decrease of 50 basis points in the discount rate:	28 505
An increase of 50 basis points in the capitalisation rate:	(384 689)
A decrease of 50 basis points in the capitalisation rate:	432 731

Mixed use development

	R'000
An increase of 50 basis point in the exit cap rate	(296 561)
A decrease of 50 basis points in the exit cap rate	336 102
An increase of 50 basis points in the discount rate	(6 000)
A decrease of 50 basis points in the discount rate	6 000
An increase of 1% in selling price per sqm	9 000
A decrease of 1% in selling price per sqm	(9 000)