Group and Company Annual financial statements **2023**

10 YEARS LISTED ATTACQ

A decade of development, growth and value creation

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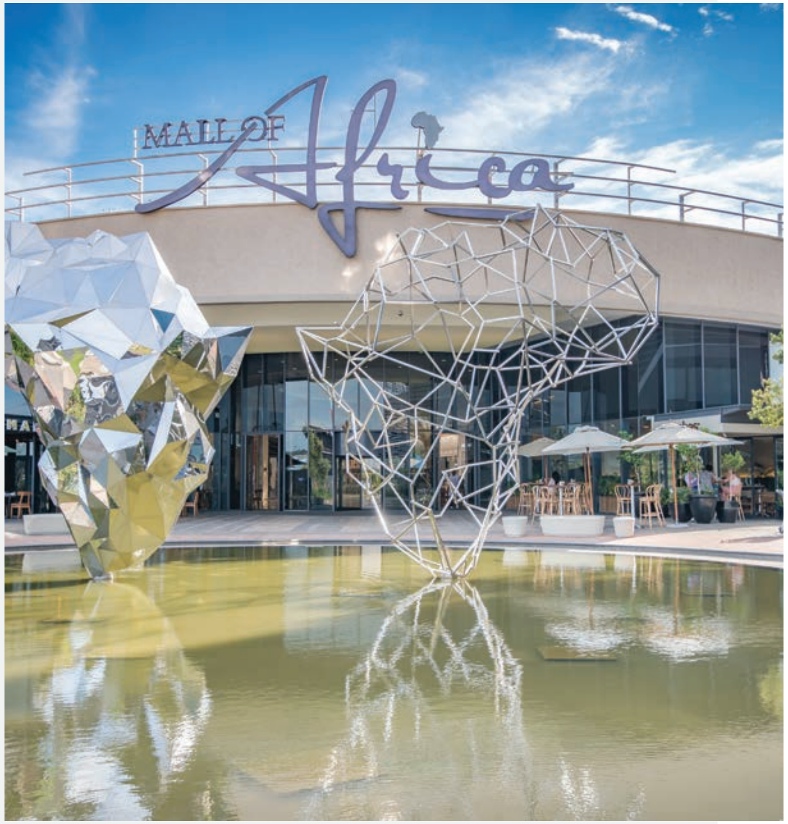
Attacq Limited and its subsidiaries (Registration Number: 1997/000543/06)

Annual financial statements for the year ended 30 June 2023.



Feedback

Your feedback is important to us and we welcome your input to enhance the quality of our reporting. Please send your comments or suggestions to Brenda Botha (Head of investor relations)

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For clarification of all abbreviations used in this report, refer to the **glossary** on **page 01.**

Glossary

Actis	Actis Africa Sustainable Real Estate Income Funds and Actis West Africa REIF LP
Adamax	Adamax Property Projects Brooklyn Proprietary Limited
AFS	Annual financial statements
AGM	Annual general meeting
AIHI Ikeja	AIHI Ikeja
AIHI	AIH International Limited
AIM	AIM Investco Proprietary Limited
AMS	Attacq Management Services Proprietary Limited
ARC	Audit and risk committee
APH	Atterbury Property Holdings Proprietary Limited
GEPF	Government Employees Pension Fund
Ghana	APH Ghana International
ARF	Attacq Retail Fund Proprietary Limited
ARS	Attacq Retail Services Proprietary Limited
AttAfrica	Atterbury Africa Limited
AttAfrica SA	Atterbury Africa SA Proprietary Limited
Attacq and company	Attacq Limited
Attacq Investments	Attacq Investments Proprietary Limited
Attacq The Mix	Attacq The Mix Proprietary Limited
Attacq Treasury Share Company	Attacq Treasury Share Company Proprietary Limited
Attacq Ellipse	Attacq Ellipse Proprietary Limited
ATT MOA 20	ATT MOA 20 Proprietary Limited
AWIC	Attacq Waterfall Investment Company Proprietary Limited
A2X	A2X Markets
BEE	Black economic empowerment
Board	Board of directors
Brand Group	The Brand Group International Proprietary Limited
Brooklyn Bridge	Brooklyn Bridge Office Park Proprietary Limited
CEO	Chief executive officer
CFC	Controlled foreign company
CFO	Chief financial officer
CGT	Capital gains tax
CGU	Cash-generating unit

CIPC	Companies and Intellectual Property Commission
Cell C	Cell C Limited
Companies Act	The Companies Act 71 of 2008 (as amended)
Coronation	Coronation Fund Managers Limited
ECL	Expected credit loss
Equites	Equites Property Fund Limited
EY	Ernst & Young Incorporated
ESD	Attacq Group ESD Proprietary Limited
FCTR	Foreign currency translation reserve
FFO	Funds from operations
Fountains Regional Mall	Fountains Regional Mall Proprietary Limited
FVOCI	Fair value through other comprehensive income
FVPL	Fair value through profit or loss
GDP	Gross domestic product
GLA	Gross Lettable Area
Gruppo	Gruppo Investment Nigeria Limited
Growthpoint	Growthpoint Properties Limited
Harlequin Duck	Harlequin Duck Properties 204 Proprietary Limited
IASB	International Accounting Standards Board
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
Income Tax Act	The Income Tax Act no. 58 of 1962
IRBA	Independent Regulatory Board of Auditors
In Coatings	In Coatings Proprietary Limited
Investec	Investec Bank Limited
Jesse Creations	Jesse Creations Close Corporation
JIBAR	Johannesburg Inter Bank Average Rate
JSE	Johannesburg Stock Exchange
JSE Listings Requirements	The Listings Requirements, as issued by the JSE from time to time
JV	Joint Venture
JV15	Waterfall JVCO 15 Proprietary Limited
JV115	Waterfall JVCO 115 Proprietary Limited
Key Capital	Key Capital Holdings Proprietary Limited

Glossary

Kompasbaai	Kompasbaai Property Development Proprietary Limited
LGD	Loss given default
LP	Land Parcel
LTIP	Long-Term Incentive Plan
LTIPs	Awards under the LTIP
Lynnaur	Lynnaur Investments Proprietary Limited
Lynnwood Bridge	Lynnwood Bridge Office Park Proprietary Limited
MAS	MAS P.L.C.
MML	Momentum Metropolitan Limited
MOI	Memorandum of Incorporation
NAV	Net Asset Value
NAVPS	Net Asset Value Per Share
Nedbank	Nedbank Limited
NESA Capital	NESA Capital Proprietary Limited
Ndzilo	Ndzilo Fire Protection Engineers
OmsFin	Old Mutual Financial Services
OCI	Other comprehensive income
PD	Probability of default
PGLA	Primary Gross Lettable Area
PI group	Property Industry group, collective of the major representative bodies for real estate in SA
PIT	Point in time
POA	Property owners association
Portstone	Portstone Developments Proprietary Limited
PM	Property management
PV	Present value
PwC	PricewaterhouseCoopers
RCF	Revolving credit facility
REIT	Real Estate Investment Trust
Remco	Remuneration and nominations Committee
RMB	Rand Merchant Bank - a division of FirstRand Bank Limited
SAICA	South African Institute of Chartered Accountants
Sanlam Capital	Sanlam Capital Markets Limited
Sanlam Life	Sanlam Life Insurance Limited

SA	South Africa
SAR	Share Appreciation Right
SPPI	Solely payments of principal and interest
Standard Bank	Standard Bank Limited
TTC PD	Through-the-cycle probability of default
Thatego	Thatego Holdings Proprietary Limited
Travenna	Travenna Development Company Proprietary Limited
TSE	Transformation, Social and Ethics
Twin Cities	Twin Cities Cleaning Services Proprietary Limited
US	United States
VAT	Value added tax
Value Added Tax Act	Value Added Tax Act No. 89 of 1991
VPGA	Valuation Practice Guidance Application
WACC	Weighted Average Cost of Capital
West Africa Asset Management	West Africa Asset Management Proprietary Limited
WDC	Waterfall Development Company Proprietary Limited
WHO	World Health Organization
WIC	Waterfall Investment Company Proprietary Limited
Wingspan	Retail Africa Wingspan Investments Proprietary Limited

Directors' responsibilities and approval

The directors are required in terms of the Companies Act to maintain adequate accounting records and are responsible for the content and integrity of the consolidated and separate AFS. It is their responsibility to ensure that the consolidated and separate AFS fairly present the state of affairs of Attacq and the group as at the end of the financial year and the results of its operations and cash flows for the year then ended, in conformity with IFRS and the requirements of the Companies Act.

The consolidated and separate AFS are prepared in accordance with IFRS, the JSE Listings Requirements and are based upon appropriate accounting policies that are consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal controls 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 controls aimed at reducing the risk of error or loss in a cost-effective manner. These 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 is beyond reproach in all reasonable circumstances. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the group.

The directors have reviewed the cash flow forecast of the group and company for the next 12 months and, in light of this review and the current financial position, taking into account the maturing of debt facilities, they are satisfied that the group and the company have access to adequate resources to continue in operational existence for the next 12 months.

The consolidated and separate AFS, set out on pages 14 to 119 in this report, have been prepared on the going concern basis.

The external auditors are responsible for independently auditing and reporting on the consolidated and separate AFS. The AFS have been audited by the group's external auditors and their unmodified report is presented on pages 10 to 13.

The consolidated and separate AFS set out on pages 14 to 119, were approved by the board on 27 September 2023 and were signed on its behalf by:

P Tredoux
Chairperson

27 September 2023

JR van Niekerk
CEO

27 September 2023

Certificate by company secretary

In terms of Section 88(2)(e) of the Companies Act, I declare that to the best of my knowledge, for the year ended 30 June 2023, that the company has lodged with the Registrar of Companies all such returns as are required of a public company in terms of the Companies Act and that such returns are true, correct and up to date.

W Modisapodi
Company secretary

27 September 2023

Responsibility statement on internal financial controls

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

(a) the AFS set out on pages 14 to 119, fairly present in all material respects the financial position, financial performance and cash flows of Attacq in terms of IFRS;

(b) no facts have been omitted or untrue statements made that would make the AFS 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 AFS of Attacq; and

(d) the internal financial controls are adequate and effective and can be relied upon in compiling the AFS, having fulfilled our role and function within the combined assurance model pursuant to principle 15 of King IV. Where we are not satisfied, we have disclosed to the ARC 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 remedial action.

JR van Niekerk
CEO

27 September 2023

R Nana
CFO

27 September 2023

Audit and Risk Committee report

The Audit and Risk Committee ("ARC") provides independent oversight and assessment of the group's enterprise-wide risk management processes, legal and regulatory compliance, financial reporting, business and internal financial controls, information and technology governance and internal and external audit processes. ARC acts as a liaison between the board, external and internal auditors.

The mandate and related activities of ARC are governed by its charter as approved by the board and its statutory responsibilities as per the Companies Act, and King IV.

The governance of risk forms an integral part of our group governance framework as outlined in the integrated report. The monitoring of risk remains a key priority for the board and ARC.

The board is ultimately responsible for setting the risk appetite and tolerance levels for the group, leveraging opportunities and managing risk.

The mandate of ARC, as outlined in its charter, is summarised below:

Summary of committee mandate	Composition
This statutory committee is responsible for: ■ Assuring the board of the reliability of financial information by monitoring the external audit function, including its independence ■ Assuring the board of the adequacy and efficiency of internal financial controls by overseeing the internal audit function ■ Monitoring compliance with legal and regulatory requirements ■ Ensuring there are robust risk management systems to identify, monitor and manage material business, financial and other risks ■ Reviewing and recommending the group's solvency and liquidity position to the board for approval ■ Monitoring the governance of compliance and ensuring high standards of reporting are maintained ■ Supporting the board in effective governance of risk ■ Ensuring assets and liabilities are recorded accurately and fairly, applying appropriate judgement in the application of IFRS	A minimum of three directors, all of whom shall be independent non-executives approved by shareholders at the AGM. The chairperson of the board shall not be a member of the committee. All four members are independent non- executive directors ■ Allen Swiegers (appointed as chairperson with effect from 1 February 2023) ■ Stewart Shaw-Taylor (resigned as chairperson with effect from 1 February 2023) ■ Hellen El Haimer ■ Fikile De Buck (appointed 1 February 2023) Raj Nana (CFO) and Jackie van Niekerk (CEO) are standing invitees with no voting powers. Representatives of internal audit (PwC, succeeded by BDO with effect from 1 July 2022) and external audit (EY) are also standing invitees with no voting powers. The company secretary is a standing invitee to all meetings.

ARC meeting attendance

During the year under review, ARC convened four times with an additional two meetings convened after year end. These two meetings included the approval of the 30 June 2023 AWIC property valuations which were the subject of the JSE Circular in respect of the Waterfall transaction with the GEPF, and the recommendation of the 30 June 2023 annual financial statements of the group to the board for approval.

ARC matters considered during the year under review

ARC has an annual work plan, developed in line with its charter, including standing items that are considered at each meeting with the addition of any specific matters which require consideration.

During the year under review, ARC considered the matters summarised below:

Key matters considered	Key matters resolved and approved
■ Significant judgements and estimates in the preparation of the financial statements ■ Going concern and liquidity ■ Debt exposures and refinancing updates ■ Valuation of investment property, leasehold land and developments under construction ■ New and existing IFRS statements and guidelines and the impact thereof on the AFS ■ Key risks and mitigation strategies and procedures ■ Annual insurance cover including cover by SASRIA SOC Ltd ■ Litigation report ■ Insurance claims ■ Status of Companies and Intellectual Property Commission and South African Revenue Service filings ■ Combined assurance plan ■ Internal audit charter ■ Internal audit findings ■ Progress and ongoing suitability of BDO in the internal audit function ■ Appropriateness of the expertise and experience of the external auditor ■ Independence of the external auditor ■ JSE accreditation in respect of external auditor ■ Annual meeting with internal and external auditors without the CFO being present ■ Internal Financial Controls ■ ICT governance and processes ■ Changes proposed by the OHS Bill ■ OHS Act compliance ■ JSE proactive monitoring document ■ REIT compliance certificate	■ Confirmed to the board the ongoing solvency and liquidity of the company as required from time to time ■ Adopted the risk register and procedures implemented to mitigate risks ■ Approved the internal audit plan and budgeted fees, and reviewed progress reports ■ Approved the scope of work and approach of the external auditor for interim and year end as well as the budgeted fees thereof ■ Confirmed the suitability of the level of expertise, resources and experience of the company's finance function, as well as the suitability of the expertise of the CFO ■ Approval of the trading statement and the long-form SENS announcements ■ Approval of EY as independent reporting accountant in respect of the JSE Circular (Waterfall City transaction with GEPF) **Key matters reviewed and recommended to the board for approval** ■ The adoption by the board of the valuations carried out by external property valuers on investment property, developments under construction and leasehold land ■ The risk management and combined assurance policy and framework ■ The ARC terms of reference ■ The interim and annual financial results ■ The JSE Circular (Waterfall City transaction with the GEPF) ■ The integrated report **Focus for FY23 and beyond** ■ Continued focus on key matters and financial reporting ■ Continued focus on combined assurance plan ■ Training will be provided to relevant employees once the OHS Bill is finalised (until then staff members attend HIRA and ASHEP courses which will address some of the key changes that the OHS Bill)

Audit and Risk Committee report

Accounting practices

During the financial year under review, ARC reviewed the JSE's report dated 6 October 2022 on Cash flow information and disclosures of liquidity and going concern and the report dated 4 November 2022 Reporting back on Proactive Monitoring of the 2022 year-end Financial Statements. Where applicable steps have been taken to implement the recommendations made by the JSE.

ARC considered relevant matters concerning Attacq's accounting policies and treatments including the classification of assets held for sale.

Significant matters identified and considered by ARC

ARC considered key material matters of the group's consolidated financial statements relating to the:

- Valuation of investment properties
- Loans to associates
- Going concern and liquidity
- Impact of the Proposed Waterfall City transaction with the GEPF
- The impact of the recapitalisation of Cell C

Valuation of investment properties

The group holds investment properties with a carrying value of R17.7 billion. The properties comprise completed properties, developments under construction and leasehold land (encompassing both development rights and infrastructure).

Completed developments were valued as at 30 June 2023 using the discounted cash flow of the future income streams method by independent valuers.

Other than Brooklyn Mall, the external valuations are performed by Mills Fitchet Cape Proprietary Limited, CBRE Excellerate CRES Proprietary Limited, CBRE Limited and Sterling Valuation Specialists Close Corporation.

The valuation of Brooklyn Mall is based on an independent valuation performed by Broll Valuation & Advisory Services. The independent valuers discounted cash flow of the future income streams was adjusted lower by the directors to reflect a more conservative view of the valuation of the property.

The valuation of leasehold land at 30 June 2023 is based on an external valuation performed by Vallun Properties Proprietary Limited t/a Valquest Property Valuers & Consultants. The independent valuer's valuation was performed as at 30 June 2023 by applying the comparable sales valuation method, taking into account obligations pursuant to the leasehold nature of the leasehold land.

ARC considered the competencies and independence of the external valuers and reviewed the assumptions and judgements used by the valuers in the external valuations. In addition, ARC reviewed and interrogated the relevant adjustments to the external valuations and concluded that the valuation of investment properties as determined at year end was fairly stated and in accordance with accounting policy.

Loans to associates

The group holds loans to associates with a carrying value of R324.3 million, relating largely to a shareholder loan advanced to Gruppo.

The ECL of R264.2 million in respect of the Gruppo loan has been measured with reference to the expected recoverable amount of the loan determined by discounting the expected cash flows to be received thereon at the interest rate of the loan. ARC reviewed and interrogated the relevant assumptions in respect of the ECL of the Gruppo loan and concluded that the amount thereof was fairly stated and in accordance with the accounting policy.

Going concern and liquidity

The cash flow forecasts were reviewed for the group up to the period ending September 2024 and, in light of this review and of the current financial position, ARC has recommended to the board that the group, based on reasonable expectations, has adequate financial resources to continue in operation for the ensuing 12-month period and accordingly the consolidated and separate AFS have been prepared on a going concern basis.

There are no financial covenant breaches at 30 June 2023.

Impact of the Proposed Waterfall City transaction with the GEPF

At financial year end the transaction with the GEPF was still subject to conditions precedent, including the approval of Attacq shareholders in a general meeting. ARC considered the disclosure of the transaction as an event after reporting date and determined that the disclosure thereof was adequate and complete.

The impact of the recapitalisation of Cell C

As part of the recapitalisation of Cell C which was concluded during September 2022, the group has converted amounts due and payable under lease contracts by Cell C into loans. The loans were assessed for impairment by an independent IFRS 9 specialist.

ARC considered the competencies and independence of the external specialists and reviewed the assumptions and judgements used by the specialists and concluded that the loan and ECL as determined at year end was fairly stated and in accordance with the accounting policy.

Summary

After reviewing the presentations and reports from management and consulting where necessary with the auditors, ARC was satisfied that the financial statements appropriately addressed the critical judgements and key estimates both in respect of amounts and disclosures. ARC was also satisfied that the significant assumptions used for determining the value of investment properties, investment and loans to associates, taxation and other assets and liabilities have been appropriately examined, questioned and challenged.

Internal audit

Attacq has an outsourced internal audit arrangement with BDO, a professional service provider, which reports into ARC, and fulfils its duties as an independent assurance function.

The scope of work comprises the preparation of a risk-based, three-year rolling internal audit plan, and the execution of the current year component thereof. The ARC annually approves this plan and may, as and when the need arises, approve changes to it. Critical and significant findings are reported to ARC on at least a half-yearly basis. Corrective action is taken by management to address internal control deficiencies identified in the execution of the audit plan. The internal audit function operates within the mandates defined by the internal audit charter.

With regards to the 2023 financial year, ARC evaluated the internal audit reports, which did not identify any material breakdowns in internal controls within the areas reviewed. Follow-up audits were also conducted during the financial year on corrective actions implemented and ARC is satisfied that appropriate remediation was achieved.

Audit and Risk Committee report

External audit

EY, with Ernest van Rooyen as the engagement partner on the audit, are the appointed external auditors. ARC assessed the suitability of the appointment of the current audit firm and audit partner in terms of section 3.4 (g)(iii) of the JSE Listing Requirements. The committee also assessed the non-audit services provided by EY and deemed these to be appropriate and acceptable. The Committee approved the EY JSE accreditation report, and the re-appointment of EY. which was subsequently approved at the AGM on 17 November 2022.

Internal controls

The group's responsibility is to enable an effective internal control environment, support the integrity of decision-making information, as well as the integrity of external reports. This is supported through the application of a Three Lines of Defence model covering financial, compliance and operational systems of internal control. This model not only serves to establish and maintain an appropriate control environment and structures of internal control, but also ensures that its effectiveness is substantiated by robust and comprehensive combined assurance results.

In terms of paragraph 3.84(k) of JSE Listings Requirements, the CFO and CEO of a listed entity are required to attest to an adequate control environment that allows for the entity's AFS to be prepared in accordance with the applicable accounting framework and be suitable for reliable economic decision-making. To this end, the ARC monitored the planning and execution of assurance activities in support these effectiveness attestations.

The system of internal controls includes, but is not limited to, a documented organisational structure and division of responsibility, as well as established policies and procedures, which are communicated throughout the group.

The ARC, having considered the arrangements for, and reports on risk management, combined assurance, and compliance, found no material weaknesses in the overall structure of internal controls and consequently concluded it to be effective, both in terms of design effectiveness and operating effectiveness.

Risk management

Attacq is committed to an integrated process of risk management and assurance, which is rooted in accepted frameworks and good practices, including ISO 31000:2018 and King IV.

Although the board remains accountable for the governance of risk, it delegates relevant oversight duties to ARC. ARC is further supported by the combined assurance forum with respect to the oversight of the combined assurance plan and results. Management, however, remains responsible for the design and implementation of risk management and combined assurance processes.

The process of risk and combined assurance management is codified in the risk management and combined assurance policy and framework, which is reviewed and approved by the ARC on a regular basis. This process spans across all types of risk, including compliance and technology risks. The combined assurance processes are integrated with the risk management process, through the application of the three lines of defence model, allowing ARC to provide comfort to the board that risks and opportunities are appropriately managed, and that assurance activities from various providers deliver an optimised assurance result.

Principal risks and uncertainties

Specific focus was placed on the group's top risks and emerging risks identified and recorded in the risk management report.

Regulatory compliance

ARC provides oversight on the regulatory compliance process and is supported by the transformation, social and ethics committee where necessary.

In line with Principle 13 of King IV, the legal and regulatory compliance risk management process is defined in the risk management and combined assurance policy and framework and is facilitated by the risk and compliance function reporting into the CFO.

Regulatory compliance risks are managed through the application of the adopted risk and assurance processes as described in the risk management and combined assurance policy and framework. Compliance controls are also incorporated into the combined assurance plan and the assurance results communicated to the ARC, together with remedial actions, and instances of material non-compliance, if any.

Integrated report

ARC will review the integrated report for the financial year ended 30 June 2023, in a joint meeting with TSE and it will assess its consistency with appropriate reporting frameworks and standards, the JSE Listings Requirements and King IV.

On behalf of the committee

AE Swiegers
Audit and risk committee chairperson

27 September 2023

Directors' report

To the shareholders of Attacq

The directors have pleasure in presenting their report, together with the consolidated and separate AFS for the year ended 30 June 2023.

1. CORPORATE OVERVIEW REPORT

Attacq Limited and its subsidiaries is a REIT, based in South Africa and listed on the JSE and A2X, with a vision to create sustainable value for all stakeholders through a value-based strategy, whilst making a positive impact in the communities we serve and driving sustainable environmental solutions in our property portfolio.

Since listing 10 years ago, Attacq has been dedicated to the development and management of thriving precincts in collaboration with like-minded partners and over this period the South African portfolio has grown from only 19 buildings to 52 buildings covering 741,490m² of GLA.

Attacq has also prioritised the diversification of its portfolio into five managed precincts throughout South Africa, with a multi-asset focus to counter periods of low business confidence and declining economic conditions, and to ensure resilience in the face of the current uncertain impact of financial, governmental, social and environmental changes.

Attacq management are of the firm view that a diverse South African precinct-focused portfolio significantly strengthens their ability to generate long-term value from the portfolio and in living up to their vision of providing future-fit (smart, safe, and sustainable) community spaces. This is underpinned by the support of the communities served by the group's quality real estate portfolio and our commitment to environmental sustainability.

Attacq's focused approach is on: (1) Waterfall City, comprising its completed real estate portfolio, developments under construction and leasehold land; (2) Rest of South Africa, comprising the remainder of its South African completed real estate portfolio; and (3) Other investments, comprising a 6.5% interest in MAS P.L.C. (MAS) and its Rest of Africa retail investments. Going forward, business diversification will be the fourth focus area, achieved through investing in opportunities complementary to our real estate portfolio.

The group has a total asset value of R21.8 billion (2022: R21.6 billion), which includes landmark commercial and retail property assets and developments. The group's portfolio of properties and investments consists of diverse assets located across SA, as well as in sub-Saharan Africa through AttAfrica and Gruppo.

2. DISTRIBUTABLE INCOME

The group reported distributable income of R506.8 million (2022: R442.6 million).

3. SOLVENCY AND LIQUIDITY TEST

The directors have performed the required solvency and liquidity tests required by the Companies Act. Refer to note 35.

4. DIVIDEND DISTRIBUTIONS

The board declared a final dividend for the year ended 30 June 2023 of 29.0 cents per share on 27 September 2023. An interim dividend of 29.0 cents per share was declared for the six months ended 31 December 2022.

5. ISSUED SHARE CAPITAL

As at 30 June for the respective financial years, Attacq's issued share capital comprised:

	2023	2022
Total issued shares	**751 551 292**	751 551 292
Treasury shares	**(46 427 553)**	(46 427 553)
ARF	**(29 726 516)**	(29 726 516)
Attacq Treasury Share Company	**(16 701 037)**	(16 701 037)
Net issued shares	**705 123 739**	705 123 739

6. GOING CONCERN

The directors have reviewed the group and company's cash flow forecasts up to the period ending September 2024 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the ensuing 12 month period. Accordingly, the consolidated and separate AFS 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 have satisfied themselves that the group and company is in a sound financial position and that it has access to sufficient cash reserves and borrowing facilities over the next 12 months to meet its 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 the company. Please refer to note 35 for further information.

At 30 June 2023, the group had a positive NAV of R12.4 billion (2022: R12.3 billion). Although the current liabilities exceeded the current assets by R154.6 million the group had R550.0 million available on prepaid access facilities to draw from. If taken into account the current assets exceed the current liabilities by R395.4 million. In the prior year the current assets together with non-current assets held for sale exceeded its current liabilities together with non-current liabilities associated directly with non-current assets held for sale by R218.8 million.

The group has performed cash flow forecasts to support the going concern assumption of the group. Financial covenants are expected to be complied with in full.

At 30 June 2023, the group had available liquidity of R1.4 billion (2022: R1.9 billion) comprising unrestricted cash and cash equivalents of R606.5 million (2022: R604.2 million), prepaid access facilities of R550.0 million (2022: R960.8 million) and committed undrawn facilities of R240.0 million (2022: R310.0 million).

Directors' report

7. FINANCIAL PERFORMANCE

The group reported a net attributable profit for the year ended 30 June 2023 of R658.8 million (2022: R1.2 billion profit). The profit was mainly driven by net profit from property operations, positive fair value adjustments to derivative financial instruments and the fair value of the investment in MAS offset by finance cost. The decline in profit from the previous year is due to lower fair value adjustments on investment properties and derivative financial instruments.

8. DIRECTORS' INTERESTS IN ATTACQ SHARES

	30 June 2023			30 June 2022		
Name	**Direct**	**Indirect**	**Total**	**Direct**	**Indirect**	**Total**
P Tredoux	–	27 733	27 733	–	27 733	27 733
R Nana	–	91 690	91 690	–	91 690	91 690
JR van Niekerk	158 702	–	158 702	158 702	–	158 702
HR El Haimer	28 500	–	28 500	28 500	–	28 500
IN Mkhari	–	–	–	–	–	–
AE Swiegers	–	–	–	–	–	–
TP Leeuw	–	–	–	–	–	–
S Shaw-Taylor	650 000	–	650 000	650 000	–	650 000
JHP van der Merwe	–	2 232 481	2 232 481	–	2 232 481	2 232 481
F De Buck*	–	–	–	–	–	–
Dr G Rohde*	–	–	–	–	–	–
Total	**837 202**	**2 351 904**	**3 189 106**	837 202	2 351 904	3 189 106

* *Appointed 1 February 2023.*

During the current and prior year, there were the following movements on share options granted to JR van Niekerk:

- On 6 October 2022, Remco approved the grant of 918 356 LTIPs.
- LTIPs granted to JR van Niekerk on 14 October 2022 have yet to be accepted due to a prohibited period in terms of the JSE Listing Requirements.
- On 7 October 2021, Remco approved the grant of 1 000 000 LTIPs.
- On 14 October 2021, 108 344 LTIPs granted to JR van Niekerk vested. These share options were exercised on 14 October 2021.

During the current and prior year, there were the following movements on share options granted to R Nana:

- On 6 October 2022, Remco approved the grant of 662 121 LTIPs.
- LTIPs granted to R Nana on 14 October 2022 have yet to be accepted due to a prohibited period in terms of the JSE Listing Requirements.
- On 7 October 2021, Remco approved the grant of 338 534 LTIPs.
- On 14 October 2021, 72 080 LTIPs granted to R Nana vested. These share options were exercised on 14 October 2021.

9. SPECIAL RESOLUTIONS PASSED BY THE GROUP

Apart from the special resolutions passed at the AGM, held on 17 November 2022, no other special resolutions were passed by Attacq or any of Attacq's subsidiaries.

10. INVESTMENT PROPERTY

Investment properties excluding held for sale properties, increased by 0.4% (2022: 3.5% decrease) from the prior year due to positive movements on fair value of leasehold land. Additions to investment property totalled R190.9 million (2022: R522.1 million), comprising R58.3 million (2022: R340.6 million) spent on properties under development, R128.1 million (2022: R133.4 million) on completed developments and R4.5 million (2022: R48.1 million) on leasehold land. Negative movements in the fair value on investment property amounted to R4.3 million (2022: R255.0 million positive) for this financial year.

Investment property classified as held for sale amounted to Rnil (2022: R35.8 million). Refer to note 28 for more details on the investment properties classified as held for sale.

11. DISPOSALS

The following assets were disposed of during the financial year:

- Portion of Waterfall Lifestyle;
- 100% of Waterfall development rights in respect of Nexus Building 2.

12. EVENTS AFTER REPORTING DATE

Events after the reporting date include the following:

- Declaration of dividends after the reporting period
- Government Employees Pension Fund Transaction
- MAS dividend declaration
- Restructuring of long-term borrowings
- Additional investment in AttAfrica

Refer to note 36 to the AFS for more disclosure regarding these after reporting date events.

Directors' report

13. DIRECTORS

P Tredoux	Independent non-executive chairperson
HR El Haimer	Lead independent non-executive director
JR van Niekerk	CEO
R Nana	CFO
IN Mkhari	Independent non-executive director
AE Swiegers	Independent non-executive director
S Shaw-Taylor	Independent non-executive director
TP Leeuw	Independent non-executive director
JHP van der Merwe	Independent non-executive director
F De Buck (appointed 1 February 2023)	Independent non-executive director
Dr G Rohde (appointed 1 February 2023)	Independent non-executive director

There were no changes in directors between the reporting date and the date of this report.

14. COMPANY SECRETARY

Attacq's company secretary is W Modisapodi.

Registered office: Nexus 1, Ground Floor, 44 Magwa Crescent, Waterfall City, 2090

Postal address: Postnet Suite 016, Private Bag X81, Halfway House, 1685

15. AUDITORS

It will be proposed at the next AGM, scheduled for 16 November 2023, that EY be reappointed as the external auditors in accordance with the Companies Act.

Independent auditor's report

To the Shareholders of Attacq Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Attacq Limited and its subsidiaries ('the group') and the company set out on pages 14 to 119, which comprise of the consolidated and separate statements of financial position as at 30 June 2023, and 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 consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 30 June 2023, 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 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 of the group and company and 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 of the group and company and 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 and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated and separate financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate financial statements.

Independent auditor's report

The Key Audit Matter applies only to the audit of the consolidated financial statements.

Key Audit Matter	How the matter was addressed in the audit
Valuation of Investment Property Investment property makes up approximately 81% (2022: 75%) of the total assets of the Group at a fair value of R17,7 billion (2022: R17.6 billion). The Group's investment property comprises various categories of properties, being: ■ Completed developments, ■ Developments under construction, and ■ Leasehold land which includes costs of development rights, infrastructure and services. The valuation of investment property remains a Key Audit Matter due to the magnitude of the investment property balance in the consolidated results of the Group and the: ■ Inherent judgement and highly sensitive nature, as a result of the inputs and key assumptions that are impacted by uncertain economic and market conditions, such as loadshedding, increased inflation and the higher interest rate environment; and ■ Involvement of our EY valuation specialist to independently assess the valuations. **Completed developments and developments under construction** Attacq's completed developments are split between: Retail-experience hubs, collaboration hubs, logistics hubs and hotel segments. Completed developments are valued using the fair value model. Developments under construction are initially recognised at cost and subsequently remeasured to fair value. For the current period, the developments under construction are carried at cost. The specific areas of judgement requiring the auditor's attention and support from the EY valuation specialists included:	We engaged with management to obtain a detailed understanding of their property valuation systems and processes. We evaluated the competence, independence and experience of management's external independent valuers by assessing their qualifications and industry experience. We assessed the valuation techniques and methodologies applied by management and their external valuers to ensure consistency with generally accepted property valuation techniques in the real estate market. **Completed developments and developments under construction** With the support of the EY valuation specialists, we assessed the methodologies and assumptions applied in determining the fair value of investment properties by management and the external valuers. This included: ■ Comparing the capitalisation and discount rates applied by management in the valuations to ranges in the latest Rode and South African Property Owners Association (" SAPOA ") reports which are informed by the category, condition, location, GLA and grade of the property. ■ Assessing the reasonableness of managements assumptions concerning projected rental income and operating expenses against historical income and operating expense data. ■ Agreeing the vacancy rate assumptions applied by management in the property valuations to lease agreements, tenancy schedules and property industry reports. ■ Assessing the reasonability of the fair value of the investment properties at year end by performing independent recalculations and comparing the outcome to the values determined by management.

Key Audit Matter	How the matter was addressed in the audit
■ The capitalisation and discount rate which is derived from widely available market related data and which is continuously updated based on current market conditions. This requires management to exercise their judgement in the selection of a point in the capitalisation rate range, which is based on the category, condition, gross lettable area (GLA), location and grade of a property. ■ Projected rental income and operating expenses are judgemental and determined by management based on unique property specific information and current market conditions on the historical cash flows. ■ Forward looking vacancy per building. This requires management to exercise judgement on the proposed future vacancy of the building and plans to fill such upcoming lease expires. **Leasehold land** The Group holds a 99-year lease over Waterfall Land, which is classified as development rights. The leasehold land (consisting of development rights and infrastructure) is carried at fair value which is determined utilising the comparable sales valuation technique. This involves the use of recent comparable transactions as a basis for the valuation. Continuing in the current period, the comparable sales method was complicated by the lack of recent comparable sales to measure against, which increased the complexity and judgement required by management Therefore, this required additional discussions with management and more research and independent analysis by our valuation specialists to determine reasonable comparable sales. The disclosures associated with the valuation of investment properties are set out in *Note 16 – Investment property*.	In addition, for developments under construction, we assessed costs incurred to date against approved budgeted costs to date to determine the stage of completion. **Leasehold land** Together with our valuation specialists, we assessed the following inputs utilised in respect of the valuation of the leasehold land: ■ The calculation of the future rental obligation against comparable market related rental per square meter; ■ Evaluated the discount rate applied against SAPOA and Rode rates based on zoning rights; ■ Assessed the range of the comparable sales against market related figures, and using the experience of our valuation specialists to assess the reasonableness of comparisons used; ■ Assessed the reasonableness of the leasehold liability by recalculating the outcome from the preceding procedures. For the investment properties across all the categories, we performed sensitivity analyses on the significant assumptions to evaluate the extent of impact on the fair value across categories and assessed the appropriateness of the Group's disclosures relating to these sensitivities. We assessed the disclosure of the investment property and the fair value thereof against the requirements of *IAS 40 Investment Property* and *IFRS 13 Fair Value Measurement*.

Independent auditor's report

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 129 page document titled "Attacq Limited Group and Company Annual financial statements 2023", which includes the Directors' Report, the Audit and Risk Committee's Report and the Certificate by the Company secretary as required by the Companies Act of South Africa and the Supplementary Information, 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. Other information does not include the consolidated or the separate financial statements and our auditor's 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 identified above 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 auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the 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 and 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate 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 and 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 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 auditor's 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 auditor's report. However, future events or conditions may cause the group and/or the company 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, 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 auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Independent auditor's report

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Attacq Limited for three years.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Ernest van Rooyen CA(SA)
Registered Auditor

Sandton

27 September 2023

Statements of profit or loss and other comprehensive income

		GROUP		COMPANY	
Figures in R'000s	**Note**	**30 June 2023**	**30 June 2022**	**30 June 2023**	**30 June 2022**
Gross revenue		**2 436 389**	2 521 573	**592 258**	476 412
Rental income	5	**2 332 250**	2 172 184	**–**	–
Straight-line lease income adjustment	6	**760**	64 624	**–**	–
Sale of sectional title units	5	**103 379**	284 765	**–**	–
Investment income	11	**–**	–	**592 258**	476 412
Effective interest income	11	**–**	–	**247 325**	206 128
Dividends	11	**–**	–	**344 933**	270 284
Gross property expenses		**(901 065)**	(1 038 896)	**–**	–
Property expenses	7	**(891 768)**	(791 607)	**–**	–
ECL on trade and other receivables	7	**67 668**	(30 625)	**–**	–
Cost of sales of sectional title units	26	**(76 965)**	(216 664)	**–**	–
Net profit from property operations		**1 535 324**	1 482 677	**592 258**	476 412
Other income	8	**16 231**	204 097	**47 797**	148 205
Reversal of ECL on loans to associates, other, subsidiaries and guarantees	8	**1 902**	47 925	**14 147**	127 560
Derecognition gain on financial instrument	8	**–**	–	**32 781**	20 645
Other	8	**14 329**	156 172	**869**	–
Operating and other expenses		**(307 219)**	(288 316)	**(75 067)**	(376 328)
Operating expenses	9	**(192 265)**	(190 094)	**(7 468)**	(6 786)
ECL on loans to associates, other, subsidiaries and guarantees	10	**(67 388)**	(13 125)	**(67 599)**	(336 437)
Other expenses	10	**(47 566)**	(85 097)	**–**	(33 105)
Operating profit		**1 244 336**	1 398 458	**564 988**	248 289
Fair value adjustments		**81 883**	647 424	**–**	–
Investment property	16	**(4 277)**	254 975	**–**	–
Derivative financial instruments	18	**86 160**	392 449	**–**	–
Net loss from associates	17	**(79 219)**	(23 735)	**–**	–
Investment income	11	**162 518**	138 521	**694**	451
Finance costs	12	**(815 879)**	(828 586)	**–**	(391)

Statements of profit or loss and other comprehensive income

		GROUP		COMPANY	
Figures in R'000s	**Note**	**30 June 2023**	**30 June 2022**	**30 June 2023**	**30 June 2022**
Profit before taxation		**593 639**	1 332 082	**565 682**	248 349
Income tax expense	13	**(73 353)**	(152 522)	**–**	–
Current tax		**(4 081)**	(982)	**–**	–
Deferred tax		**(69 272)**	(151 540)	**–**	–
Profit for the year		**520 286**	1 179 560	**565 682**	248 349
Attributable to:					
Owners of the holding company		**520 286**	1 179 560	**565 682**	248 349
Items that will not be reclassified subsequently to profit or loss					
Profit on fair value through other comprehensive income assets		**62 313**	77 084	**242 344**	1 230 283
Taxation relating to components of other comprehensive income	13	**–**	–	**–**	–
Other comprehensive profit for the year net of taxation		**62 313**	77 084	**242 344**	1 230 283
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		**76 157**	(21 104)	**–**	–
Taxation relating to components of other comprehensive income	13	**–**	–	**–**	–
Other comprehensive loss for the year net of taxation		**76 157**	(21 104)	**–**	–
Total comprehensive profit for the year		**658 756**	1 235 540	**808 026**	1 478 632
Attributable to:					
Owners of the holding company		**658 756**	1 235 540	**–**	–
Earnings per share					
Basic (cents)	15	**73.8**	167.3	**–**	–
Diluted (cents)	15	**72.5**	165.1	**–**	–

Statements of financial position

		GROUP		COMPANY	
Figures in R'000s	**Note**	**30 June 2023**	**30 June 2022**	**30 June 2023**	**30 June 2022**
ASSETS					
Non-current assets					
Investment property	16	**17 652 569**	17 585 319	**–**	–
Per valuation		**18 732 928**	18 664 914	**–**	–
Straight-line lease debtor		**(1 080 359)**	(1 079 595)	**–**	–
Straight-line lease debtor	6	**1 080 359**	1 079 595	**–**	–
Investment in associates	17	**329 489**	295 777	**2 409**	37 915
Loans to associates	19	**226 533**	–	**–**	–
Other financial assets	18	**1 387 280**	1 271 038	**3 943**	7 243
Intangible assets	23	**–**	–	**–**	–
Investment in subsidiaries	41	**–**	–	**9 630 850**	8 952 330
Deferred tax assets	24	**–**	1 109	**–**	–
Property and equipment	39	**8 788**	11 949	**–**	–
Deferred initial lease expenditure	39	**31 127**	5 214	**–**	–
Total non-current assets		**20 716 145**	20 250 001	**9 637 202**	8 997 488
Current assets					
Taxation receivable		**628**	467	**–**	–
Trade and other receivables	25	**197 546**	232 363	**1 788**	1 857
Inventory	26	**67 052**	48 834	**–**	–
Other financial assets	18	**37 796**	21 485	**2 254**	488
Loans to associates	19	**97 805**	95 265	**–**	–
Loans to subsidiaries	42	**–**	–	**3 161 689**	3 580 239
Cash and cash equivalents	27	**722 895**	717 121	**1 644**	16 061
Total current assets		**1 123 722**	1 115 535	**3 167 375**	3 598 645
Non-current assets held for sale	28	**–**	260 746	**–**	–
Total assets		**21 839 867**	21 626 282	**12 804 577**	12 596 133

Statements of financial position

		GROUP		COMPANY	
Figures in R'000s	**Note**	**30 June 2023**	**30 June 2022**	**30 June 2023**	**30 June 2022**
EQUITY AND LIABILITIES					
Equity					
Stated capital	29	**6 499 090**	6 499 090	**6 872 176**	6 872 176
Fair value through other comprehensive income reserve		**519 960**	457 647	**1 907 259**	1 664 915
Distributable reserves		**5 264 586**	5 294 688	**3 907 217**	3 935 250
Share-based payment reserve	30	**87 869**	82 212	**87 869**	82 212
Foreign currency translation reserve		**71 655**	(4 502)	**–**	–
Total equity		**12 443 160**	12 329 135	**12 774 521**	12 554 553
Non-current liabilities					
Long-term borrowings	20	**7 640 927**	7 709 883	**–**	–
Other financial liabilities	18	**1 491**	1 087	**28 222**	39 334
Cash settled share based payments	30	**71**	72	**–**	–
Lease liability	22	**206 999**	227 830	**–**	–
Deferred tax liabilities	24	**268 930**	200 765	**–**	–
Total non-current liabilities		**8 118 418**	8 139 637	**28 222**	39 334
Current liabilities					
Short-term portion of long-term borrowings	20	**743 966**	571 519	**–**	–
Other financial liabilities	18	**923**	76 583	**–**	–
Lease liability	22	**31 581**	28 955	**–**	–
Loans from associates	19	**4 707**	4 082	**–**	–
Taxation payable		**3 026**	–	**–**	–
Cash settled share based payments	30	**101**	193	**–**	–
Trade and other payables	31	**483 136**	458 603	**1 834**	2 246
Provisions	32	**10 849**	17 575	**–**	–
Total current liabilities		**1 278 289**	1 157 510	**1 834**	2 246
Total liabilities		**9 396 707**	9 297 147	**30 056**	41 580
Total equity and liabilities		**21 839 867**	21 626 282	**12 804 577**	12 596 133

Statement of cash flows

		GROUP		COMPANY	
Figures in R'000s	Note	30 June 2023	30 June 2022	30 June 2023	Restated[1] 30 June 2022
Cash flow from operating activities					
Cash generated from/(utilised in) operations	33	**1 351 654**	1 312 821	**(7 742)**	(7 272)
Interest income	11	**73 034**	69 917	**694**	451
Dividend income	11	**81 313**	68 604	**344 933**	270 284
Interest paid	12	**(815 771)**	(836 523)	**–**	–
Finance costs paid and capitalised		**(2 531)**	(782)	**–**	–
Taxation paid		**(1 216)**	(1 905)	**–**	–
Net cash generated from operating activities		**686 483**	612 132	**337 885**	263 463
Cash flows from investing activities					
Property and equipment acquired	39	**(3 835)**	(2 258)	**–**	–
Investment properties developed	16	**(174 021)**	(489 602)	**–**	–
Investment properties disposed	16	**–**	29 591	**–**	–
Waterfall leasehold land rights disposed		**48 814**	114 628	**–**	–
Loans advanced to group companies	42	**–**	–	**(769 502)**	(707 883)
Loans repaid by group companies	42	**–**	–	**1 009 249**	455 526
Additional shares acquired in associates	17	**(81 095)**	–	**–**	–
Loans advanced to associates and joint ventures	19	**(7 493)**	(24 679)	**–**	–
Loans repaid by associates and joint ventures	19	**1 666**	–	**1 666**	3 200
Other financial assets advanced	18	**(4 347)**	(6 590)	**–**	–
Other financial assets repaid	18	**8 396**	–	**–**	–
Additions to deferred initial lease expenditure	39	**(27 543)**	(1 312)	**–**	–
Cash flow relating to non-current assets held for sale	28	**43 623**	1 312 657	**–**	–
Net cash generated from/(utilised in) investing activities		**(195 836)**	932 435	**241 413**	(249 157)

Statement of cash flows

		GROUP		COMPANY	
Figures in R'000s	Note	30 June 2023	30 June 2022	30 June 2023	Restated[1] 30 June 2022
Cash flows from financing activities					
Dividends paid		(557 048)	–	(593 715)	–
Repayment of lease liability	33	(29 619)	(26 576)	–	–
Long-term borrowings raised	33	1 672 377	150 000	–	–
Long-term borrowings repaid	33	(1 571 274)	(1 285 670)	–	–
Cash flow relating to non-current liabilities held for sale		–	(758 170)	–	–
Net cash utilised in financing activities		(485 564)	(1 920 416)	(593 715)	–
Total cash movement for the year		5 083	(375 849)	(14 417)	14 306
Cash at the beginning of the year		717 121	1 092 915	16 061	1 755
Forex effect on cash and cash equivalents		691	55	–	–
Cash and cash equivalents at the end of the year	27	722 895	717 121	1 644	16 061

[1] *During the previous reporting period, Attacq Company disclosed the net cash impact of loans advanced to group companies of R252 357 000. The company statement of cash flows has been amended to reflect the appropriate inflows and outflows of the cash advanced and repaid by its subsidiaries. The impact of the restatement is that "Loans advanced to group Companies" amounting to R252 357 000 (net cash outflow) has been disclosed as "Loans advanced to group Companies" and "Loans repaid by group Companies"reflecting the inflow and outflow of cash advanced and repaid by its subsidiaries.*

Statements of changes in equity

Figures in R'000s	Stated capital	FVOCI reserve	Distributable reserves	Share-based payment reserve	Foreign currency translation reserve	Equity attributable to owners of the holding company
GROUP						
Audited balance at 30 June 2021	6 499 090	380 563	4 104 170	107 821	16 602	11 108 246
Issue of shares	–	–	–	–	–	–
Total comprehensive (loss) profit		77 084	1 179 560	–	(21 104)	1 235 540
Profit (loss) for the year	–	–	1 179 560	–	–	1 179 560
Other comprehensive profit (loss)	–	77 084	–	–	(21 104)	55 980
Transfer between reserves on expiry			10 958	(14 448)		(3 490)
Recognition of share-based payment reserve				(11 161)		(11 161)
Audited balance at 30 June 2022	6 499 090	457 647	5 294 688	82 212	(4 502)	12 329 135
Total comprehensive profit	–	62 313	520 286	–	76 157	658 756
Profit for the year	–	–	520 286	–	–	520 286
Other comprehensive profit	–	62 313	–	–	76 157	138 470
Transfer between reserves on expiry	–	–	6 660	(10 834)	–	(4 174)
Dividends	–	–	(557 048)	–	–	(557 048)
Recognition of share-based payment reserve	–	–	–	16 491	–	16 491
Audited balance at 30 June 2023	6 499 090	519 960	5 264 586	87 869	71 655	12 443 160
Note	29	18		30		

Dividend per share in cents	2023
June 2022 - Final	50
June 2023 - Interim	29

Statements of changes in equity

Figures in R'000s	Stated capital	FVOCI reserve	Distributable reserves	Share-based payment reserve	Total equity
COMPANY					
Audited balance at 30 June 2021	6 872 176	434 632	3 686 901	107 821	11 101 530
Issue of shares	–	–	–	–	–
Total comprehensive profit	–	1 230 283	248 349	–	1 478 632
Profit for the year	–	–	248 349	–	248 349
Other comprehensive income	–	1 230 283	–	–	1 230 283
Recognition of share-based payment reserve	–	–	–	(25 609)	(25 609)
Audited balance at 30 June 2022	6 872 176	1 664 915	3 935 250	82 212	12 554 553
Total comprehensive profit	–	242 344	565 682	–	808 026
Profit for the year	–	–	565 682	–	565 682
Other comprehensive income	–	242 344	–	–	242 344
Recognition of share-based payment reserve	–	–	–	5 657	5 657
Dividends	–	–	(593 715)	–	(593 715)
Audited balance at 30 June 2023	6 872 176	1 907 259	3 907 217	87 869	12 774 521
Note	29			30	

Significant accounting policies

1.1 Statement of compliance

The accounting policies of the group as well as the disclosures made in the separate AFS comply with IFRS as issued by the IASB and IFRIC interpretations effective for the group's financial year as well as the SAICA Financial Reporting Guidelines as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the Companies Act, applicable to companies reporting under IFRS and the JSE Listings Requirements.

1.2 Basis of measurement

The AFS have been prepared on the historical cost basis, except for the measurement of investment properties and financial instruments which are measured at fair value. The AFS are prepared on the going concern basis. The AFS are presented in SA rand, which is the functional and presentation currency of Attacq.

The preparation of AFS in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its 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 separate and consolidated AFS, are disclosed in note 2.

1.3 Basis of consolidation

The consolidated AFS incorporate the AFS of the group for the year ending 30 June 2023.

All significant accounting policies are consistent in all material respects with those applied in the previous year. There have been no material changes in judgements reported in prior reporting periods. However, additional estimates of amounts relating to revenue recognition, lease liabilities, right-of-use assets and intangible assets are disclosed in note 2.

Where necessary, adjustments are made to the financial statements of subsidiaries, associates, joint ventures and joint arrangements to bring the accounting policies used in line with those used by the group.

Refer to note 1.4 for subsidiaries and 1.5 for investment in associates.

1.4 Subsidiaries

The results of subsidiaries are included for the duration of the period in which the group exercises control over the subsidiary. Where necessary, accounting policies for subsidiaries are changed to ensure consistency with the policies adopted by the group. If it is not practical to change the policies, the appropriate adjustments are made on consolidation to ensure consistency within the group.

An investor controls an investee when it is exposed, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The company carries its investments in subsidiaries at fair value with reference to their underlying NAV. Subsequent movements in underlying NAV of the investment in subsidiaries are recognised in OCI.

1.5 Investments in associates

Associates are those entities in which the group has significant influence, but does not control or have joint control, over the financial and operating policies. Significant influence is presumed to exist when the group holds between 20.0% and 50.0% of the voting rights of another entity.

The consolidated AFS include the group's share of the profit or loss and OCI of equity-accounted investees, after adjustments to align the accounting policies with those of the group, from the date that significant influence commences until the date that significant influence ceases.

The entire carrying amount of the investment is tested for impairment in accordance with IAS 36: Impairment of Assets as a single asset by comparing its recoverable amount (the higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36: Impairment of Assets to the extent that the recoverable amount of the investment subsequently increases.

The cumulative post-acquisition movements in profit or loss and OCI are adjusted against the carrying amount of the investment in the consolidated group financial statements.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate or joint ventures.

1.6 Interest in joint operations

Joint arrangements are arrangements in which the group has joint control, established by contracts requiring unanimous consent for decisions on the activities that significantly affect the arrangements' returns. They are classified and accounted for as follows:

- joint operation: when the group has rights to the assets and obligations for the liabilities relating to an arrangement, each of its assets and liabilities, including its share of those held or incurred jointly, are accounted for in relation to the joint operation; or
- joint venture: when the group has rights only to the net assets of the arrangements, its interest is accounted for using the equity method, similar to the accounting treatment for associates (refer note 1.5).

The group has various undivided shares in investment properties which are being treated as joint operations, hence only the group's percentage share in the property is included in the consolidated results. Refer to note 16 for undivided shares held is the respective properties.

When a group entity undertakes its activities under joint operations, the group, as a joint operator, recognises in relation to its interest in a joint operation:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue, including its share of revenue arising from the sale of the output arising from the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The group accounts for assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the IFRS statements applicable to the particular assets, liabilities, revenues and expenses.

Significant accounting policies

1.7 Fair value measurement

The group measures financial instruments, such as derivatives, investments and 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 principal or the most advantageous market must be accessible by the group.

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 own 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 AFS is determined on the above basis, except for share-based payment transactions that are within the scope of IFRS 2: Share-based Payment, 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.

All assets and liabilities for which fair value is measured or disclosed in the AFS 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.

Refer to fair value measurement in note 16, note 17 and note 18 for the categorisation of the group and company financial assets and liabilities within the fair value hierarchy.

For assets and liabilities that are recognised in the AFS 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.

For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

1.8 Investment property

Investment properties are properties held to earn rentals and for capital appreciation, including leasehold land (comprising development rights, infrastructure and services) and developments under construction.

Where a property is under construction with the purpose of holding the completed property for long-term rental yields and for capital appreciation, such property is classified as developments under construction.

Tenant installations are costs paid by the lessor on behalf of the lessee to ensure the lease premises are in the condition suitable for the lease.

Investment property is recognised as an asset when, and only when, it is probable that the future economic benefits that are associated with the investment property will flow to the enterprise and the cost of the investment property can be measured reliably.

All of the group's completed investment property interests which are held to earn rentals or for capital appreciation purposes are accounted for as investment property and are measured using the fair value model.

All of the group's developments under construction held for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model.

All of the group's leasehold land (comprising developments rights, infrastructure and services) are accounted for as investment properties and are measured at fair value using the comparable sales valuation technique.

Initial measurement

Investment property is initially recognised at cost, including transaction costs. Costs include costs incurred initially and costs incurred subsequently to add to, or to replace a part of, or service a property. Maintenance and repairs, which neither materially add to the value of the properties nor prolong their useful lives, are charged against profit or loss.

The cost of tenant installations at the beginning of the lease are capitalised against the development, while the cost of tenant installations on subsequent leases signed are capitalised and expensed through the statements of comprehensive income over the lease period, where such tenant installations will not be recovered through a lump sum.

Subsequent measurement

Subsequent to initial measurement, investment properties are measured and recognised at fair value.

Investment property is valued bi-annually and adjusted to fair value at the respective reporting dates as follows:

- at the interim reporting date with reference to the directors' valuation;
- at the financial year-end with reference to the independent external valuations;
- at the interim and financial year-end with reference to the disposal value where the property is going to be disposed and its expected that the disposal will conclude within 12 months after period end.

Significant accounting policies

1.8 Investment property (continued)

Developments under construction are initially recognised at cost and subsequently remeasured to fair value. The fair value of development property is not always reliably determinable due to the properties being in the early stages of construction or where construction has not yet begun. Where fair value cannot be reliably determined, but the group expects that the fair value will be reliably determinable when construction is further progressed, the group measures such properties at cost.

If the fair value of an investment property under construction is not determinable, it is measured at cost until the earlier of the date it becomes determinable or construction is complete.

Tenant installations relating to subsequent leases and lease commissions are carried at cost less accumulated amortisation. Amortisation is provided to write down the cost, less residual value, by equal instalments over the period of the lease.

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.

Derecognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in which the investment property is derecognised.

1.9 Property and equipment

Property and equipment is carried at cost less accumulated depreciation and any impairment losses. Depreciation is provided on all property and equipment to write down the cost, less residual value, using the straight-line method of depreciation, over the items' estimated useful lives.

The assets' residual values and useful lives are reviewed and adjusted annually if appropriate. An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater that it's estimated recoverable amount.

1.10 Intangible assets

Intangible assets with finite useful lives are stated at cost, less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in profit or loss, as "Amortisation of intangible assets", on an appropriate basis over the estimated useful life. Amortisation commences when the intangible asset is available for use and ceases at the earlier of the date the asset is classified as held for sale or the date it is derecognised.

Useful lives and amortisation methods are reviewed with the effect of any changes in estimate accounted for on a prospective basis.

The group has asset management contracts and Wi-Fi rights intangible assets that are classified as intangible assets with finite useful lives.

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the estimated useful lives.

1.11 Financial instruments

Financial assets and liabilities, in respect of financial instruments, are recognised on the group's and company's statement of financial position when the group and company become a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at fair value, including transaction costs, except for those classified as at FVPL which are initially measured at fair value, excluding transaction costs.

The fair value of a financial instrument on initial recognition is normally the transaction price unless the fair value is evident from observable market data.

FINANCIAL ASSETS

Classification

The group and company classify its financial assets in the following measurement categories:

- those to be measured at amortised cost;
- those to be measured subsequently at FVPL; and
- those to be measured subsequently at FVOCI.

The classification depends on the group's and company's business model for managing the financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group or company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The group and company reclassify debt investments when, and only when, its business model for managing those assets changes.

Measurement

At initial recognition, the group and company measure a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Significant accounting policies

1.11 Financial instruments (continued)

Debt instruments

Subsequent measurement of debt instruments depends on the group's and company's business model for managing the asset and the cash flow characteristics of the asset. Currently there are three measurement categories into which the group and company classifies its debt instruments.

Category	Financial instruments	Business model and cash flow characteristics	Movement in carrying amount	Derecognition	ECL
Amortised cost	Trade and other receivables Loans to associates and joint ventures Other loans receivables Cash and cash equivalents Loans to subsidiaries	Financial assets that are held for collection of contractual cash flows where those cash flows are SPPI.	Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised in profit or loss.	Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in operating expenses.	ECLs are assessed in accordance with *IFRS 9: Financial Instruments* based on the expected loss method. It is presented separately on the face of the statement of comprehensive income.
FVPL	Derivative financial assets	Financial assets that do not meet the criteria for amortised cost or FVOCI.	Gains and losses on a debt investment that are subsequently measured at FVPL is recognised in profit or loss and presented on a net basis within fair value adjustments in the period in which it arises. Interest income is recognised in profit or loss.	Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in operating expenses.	Debt instruments measured at FVPL are not subject to the ECL model in terms of *IFRS 9: Financial Instruments*.
FVOCI	Investment in Subsidiaries and MAS	Financial assets held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.	These assets are subsequently measured at fair value. Fair value gains and losses are recognised in OCI. Dividend income is recognised in profit or loss.	Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in operating expenses.	

Equity investments

Equity investments are subsequently measured at fair value. Management has elected to present fair value gains and losses on equity investments in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as income from financial assets when the group's and company's right to receive payments is established.

Fair value losses (and fair value gains) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Significant accounting policies

1.11 Financial instruments (continued)

ECL

The group has financial assets classified and measured at amortised cost that are subject to the ECL model requirements of IFRS 9: Financial Instruments. While cash and cash equivalents are classified and measured at amortised cost, and are also subject to these ECL requirements they are considered to have low credit risk, and the ECL is mitigated through the groups' credit risk management policy.

The group and company assess on both a forward-looking and historical basis the ECLs associated with its debt instruments carried at amortised cost. The ECL methodology applied depends on whether there has been a significant increase in credit risk.

At each reporting date, the group assesses whether financial assets carried at amortised cost (such as long-term loans granted) have significantly increased in credit risk. The group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the group in full, without recourse by the group to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the group in accordance with the contract and the cash flows that the group and company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECL allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The carrying amount is reduced directly by the ECL, with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account.

For trade receivables, the group and company apply the simplified approach permitted by IFRS 9: Financial Instruments, which requires lifetime ECLs to be recognised from initial recognition of the receivables. The ECL on trade receivables are estimated using a provision matrix with reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtor, general economic conditions of the industry in which the debtor operates and an assessment of both the current as well as the forecast direction of conditions at the reporting date such as inflation and GDP growth. The group has recognised a loss allowance of 100.0% against all receivables where current circumstances indicate that these receivables are generally not recoverable.

If, in a subsequent period, the amount of the ECL decreases and the decrease can be related objectively to an event occurring after the ECL was recognised, the previously recognised ECL is reversed, either directly or by adjusting the allowance account, through profit or loss. The carrying amount of the financial asset at the date the ECL is reversed will not exceed what the amortised cost would have been had the ECL not been recognised.

Write-off policy

The group and company write-off financial assets where there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or entered into bankruptcy proceedings.

Trade receivables are written off at the earlier of (i) management receiving legal confirmation that the outstanding amount is irrecoverable, or (ii) when a settlement has been reached with the tenant, or (iii) after a lapse of a 12-month period from initial arrears, or (iv) where the cost of pursuing legal recourse exceeds the benefit of recovering the arrears amount.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term investments.

Restricted cash balances relate to tenant deposits held by the group and cash and cash equivalents in the POAs.

FINANCIAL LIABILITIES

Financial liabilities, excluding derivative financial instruments, and equity instrument

Financial liabilities consist of interest-bearing borrowings, other loans payable and trade and other payables.

Interest-bearing borrowings are financial liabilities with fixed or determinable payments.

Financial liabilities are recognised initially at fair value, net of transaction costs incurred. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs (this accounting treatment is applied to the term loan and bond). To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates (this accounting treatment is applied to the revolving facility).

Subsequent to initial measurement, these instruments are measured as follows:

- other loans and interest-bearing borrowings are subsequently stated at amortised cost, using the effective interest rate method. Any difference between the proceeds net of transaction costs and the settlement or redemption of borrowings is recognised over the term of the borrowings; and
- trade and other payables are not interest bearing and are subsequently stated at their nominal values.

Derivative financial instruments

The group's activities expose it to the financial risks of changes in foreign exchange rates and interest rates, which it manages using derivative financial instruments. The group's principal derivative financial instruments are interest rate swaps/caps.

The use of derivative financial instruments is governed by the group's policies approved by the board, which provide written principles consistent with the group's risk management strategy. The group does not use derivative financial instruments for speculative purposes.

Significant accounting policies

1.11 Financial instruments (continued)

Derivative instruments are recognised initially at fair value at the date the derivative contracts are entered into, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, derivative instruments are remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Determining fair values

The determination of fair values of financial assets and financial liabilities is detailed in note 1.7.

Guarantees

Guarantees are contracts that require the group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. These are measured and disclosed at their fair value and recognised as contingent liabilities.

Guarantees are assessed on an individual basis to determine if there is an ECL that should be recognised for a potential default and recognised as a financial liability measured at amortised cost.

1.12 Inventory

Inventories are measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to make the sale.

The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Where a development property is under construction with the purpose of disposing such property for the realisation of sales proceeds, instead of being held for long term yields and capital appreciation, such property is classified as inventory.

The inventory classification shall continue post completion of the property until either such property is sold, or the purpose of such property changes to one of being held for long term yields and capital appreciation.

1.13 Taxation

Income taxation expense

Income taxation expense comprises the sum of current and deferred taxation. Income taxation is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

Current taxation and deferred taxation are charged or credited to OCI if the taxation relates to items that are credited or charged, in the same or a different period, to OCI.

Current taxation and deferred taxation are charged or credited directly to equity if the taxation relates to items that are credited or charged, in the same or a different period, directly in equity.

Current tax is the expected tax payable on taxable income, after deducting the qualifying distribution for the year of assessment, using tax rates that have been enacted or substantively enacted by the reporting dates and includes adjustments for tax payable in respect of the previous years. In accordance with the REIT status, dividends declared are treated as a qualifying distribution in terms of section 25BB of the Income Tax Act.

Current taxation

Current taxation 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.

Deferred taxation

Deferred taxation is provided using the balance sheet method on all temporary differences between the carrying amounts for financial reporting purposes and the amounts used for tax purposes.

A deferred taxation asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. The carrying amount of deferred taxation assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Unrecognised deferred taxation assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred taxation asset to be recovered.

Deferred taxation liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates, joint ventures and interests in joint arrangements, except where the group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. In respect of deductible temporary differences associated with investments in subsidiaries, associates, joint ventures and interests in joint arrangements, deferred taxation 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.

Deferred taxation is calculated using tax rates (and taxation laws) that have been enacted or substantially enacted at the reporting date. The effect on deferred taxation of any changes in taxation rates is charged to the statement of comprehensive income, except to the extent that it relates to items previously charged directly to equity.

Deferred taxation is not recognised on the fair value of investment properties. These items will be realised though sale and, in accordance with the income tax requirements relating to the REIT status, capital gains tax is not applicable. Deferred taxation is not recognised for temporary differences that will form part of future qualifying distributions. The REIT does not claim building allowances on its immovable properties, however other allowances including section 11(e) and section 12B are available to claim by a REIT which will be recouped when the REIT sells the immovable property. Deferred tax on investment properties is raised in this regard.

Significant accounting policies

1.14 Non-current assets held for sale

On initial classification as held-for-sale, generally, non-current assets and disposal groups are measured at the lower of the carrying amount and fair value less costs to sell, with any adjustments taken to profit or loss (or OCI in the case of a revalued asset). The same applies to gains and losses on subsequent remeasurement. However, certain items, such as financial assets within the scope of IFRS 9: Financial Instruments: Recognition and Measurement and investment property within the scope of IAS 40: Investment Properties, continue to be measured in accordance with those standards.

Impairment losses subsequent to classification of assets as held-for-sale are recognised in profit or loss. Increases in fair value less costs to sell assets that have been classified as held-for-sale are recognised in profit or loss to the extent that the increase is not in excess of any cumulative impairment loss previously recognised in respect of the asset.

Gains and losses on remeasurement and impairment losses subsequent to classification as disposal groups and non-current assets held-for-sale are shown within continuing operations in profit or loss, unless they qualify as discontinued operations.

Disposal groups and non-current assets held-for-sale are presented separately from other assets and liabilities on the statement of financial position. Prior periods are not reclassified.

1.15 Leases

Where the group is the lessee

The group leases leasehold land, an office premises, air bridges, a small portion of retail space and printers from non-related parties.

Recognition

Leases are recognised as a lease liability and corresponding right-of-use asset at the commencement date of the leases. Each lease payment is allocated between the settlement of the lease liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the lease liability for each period.

Lease liabilities are presented as a separate line in the consolidated statement of financial position and disclosed separately (note 22).

Right-of-use assets, classified as investment property, are measured at fair value. Fair value gains and losses are recognised in profit or loss in "fair value adjustments".

Right-of-use assets, classified as property and equipment, are depreciated on a straight-line basis from the commencement date to the end of the lease term. The lease term is the non-cancellable period of the lease plus any periods for which the group is 'reasonably certain' to exercise any extension options. If right-of-use assets are considered to be impaired, the carrying value is reduced accordingly. Depreciation is recognised in "operating expenses" and impairments, if applicable, will be recognised in "other expenses".

Right-of-use assets are recognised as part of investment property (note 16) and property and equipment (note 39).

Initial measurement

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date and are discounted using the interest rate implicit to the lease. The incremental borrowing rates of the applicable statutory entity was the appropriate rate. Lease payments included in the lease liability include fixed payments and in-substance fixed payments during the term of the lease.

Right-of-use assets are initially measured at cost which is the amount of the initial measurement of the lease liability.

Subsequent measurement

After initial recognition, the lease liability is recorded at amortised cost using the effective interest method. It is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made;
- changes to reflect revised in-substance fixed lease payments;
- the group's assessment of the lease term changes; and
- lease modifications occur that are not treated as separate leases.

Any change in the lease liability as a result of these changes also results in a corresponding change in the right-of-use asset.

Right-of-use assets, classified as investment property, are subsequently measured, applying the fair value model where the right-of-use asset falls within the scope of IAS 40: Investment Property, at fair value. In the prior year, the group has made use of practical expedients afforded by IFRS whereby discounts driven by the COVID-19 environment were not treated as lease modifications, instead treated as variable lease payments in accordance with the practical expedient implementation.

Right-of-use assets, classified as property and equipment, are subsequently measured applying the cost model where a right-of-use asset falls within the scope of IAS 16: Property, Plant and Equipment, at cost less accumulated depreciation and any accumulated impairment losses.

Rental paid for office printers is recognised in operating expenses and has been separately disclosed. The group has applied the low value expedient option in IFRS 16: Leases for these assets and a lease liability and right-of-use asset has not been recognised for these assets. Any asset with a value of less than R80 000 is deemed to be a low value asset.

Variable rentals that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in "property expenses" or "operating expenses" in profit or loss (notes 7, 9 and 22).

Significant accounting policies

1.15 Leases (continued)

Where the group is the lessor

The group leases investment properties under operating leases to non-related parties.

Contractual rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Any change in the scope of a lease, that was not part of the original terms and conditions of a lease is treated as a lease modification. This is accounted for as a new lease and the straight lining is calculated from the date of the modification.

1.16 Stated capital

Ordinary shares are classified as equity.

Where any company within the Attacq group of companies purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental costs and the related income tax effects, is included in equity attributable to the company's equity holders. The shares are listed on the JSE, with one vote per share.

The transaction costs of an equity transaction are accounted for as a deduction from equity to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

1.17 Revenue from contracts with customers

Revenue from contracts with customers arises from transactions not associated with financial instruments, or investment properties. Revenue is recognised either when the performance obligation has been satisfied ('point- in- time') or as control of the goods or service is transferred to the customer ('over time'). This requires an assessment of the group's performance obligations and of when control is transferred to the customer. Where revenue is recognised over time, based on performance obligations, 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 asset management services is included in the point-in-time 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. Payment terms and conditions included in customer contracts are typically due in full within 30 days.

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

Revenue type	Description	Nature, timing of satisfaction of performance obligations and measurement
Fee income	Management fees on assets under management.	Management fees on assets under management are recognised over the period for which the services are rendered, in accordance with the substance of the relevant agreements.
Recoveries	Recovering operating costs, such as utilities, from tenants.	Utility recoveries are recognised over the period for which the services are rendered. The group acts as a principal on its own account when recovering operating costs, such as utilities, from tenants.
Casual parking, non-GLA income	Parking income from retail-experience hubs, non-GLA income (advertising, promotion and exhibition).	Casual parking income is recognised over the period for which the services are rendered. Non-GLA income are contingent and are recorded in the period in which they are earned.
Turnover rental	Turnover rent based on tenant's retail sales.	Included in revenue when the amounts can be reliably measured.
Sale of inventory	Disposal of sectional title units.	Revenue from the sale of inventory is recognised on the date of registration/transfer.

Contractual rental income and lease cancellations from lease agreements is not within the scope of IFRS 15: Revenue from Contracts with Customers and has thus not been included in the table above.

Rental income

Rental income comprises gross rental income and fixed operating cost recoveries from the letting of investment properties, excluding VAT. Rental income excludes tenant security deposits which represent financial advances made by tenants as guarantees during the lease and are repayable by the group upon termination of the lease contracts.

Rental income receivable is recognised on a straight-line basis over the term of the lease. Directly attributable lease incentives are recognised within rental income on the same basis.

Contingent rents, being those lease payments that are not fixed at the inception of a lease, for example increases arising on rent reviews or rentals linked to tenant revenues, are recorded as income in the periods in which they are earned. Rent reviews are recognised as income from the date of the rent review, based on management's estimates. Estimates are derived from knowledge of market rents for comparable properties determined on an individual property basis and updated for progress of negotiations.

Service charge income is recognised on an accrual basis in line with the service being provided.

Significant accounting policies

1.17 Revenue from contracts with customers (continued)

As specified in the lease agreements, the group has the primary responsibility for providing services to tenants (electricity, water and gas utilities, interior and exterior cleaning, security, maintenance and repairs). The group negotiates directly with the suppliers all contracts for services provided to tenants. These contracts are concluded between the group subsidiaries which own the properties and the direct supplier.

1.18 Investment income

Interest income

Interest for the group is recognised, in profit or loss, using the effective interest rate method.

Dividend income

Dividend income for the group, from investments, is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the group and the amount of income can be measured reliably).

1.19 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or development of a qualifying asset are capitalised as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for capitalisation is determined as follows:

- actual borrowing costs on funds specifically borrowed for the purpose of acquisition, construction or development of a qualifying asset less any temporary investment of those borrowings; and
- weighted average of the borrowing costs applicable to the entity on funds generally borrowed for the purpose of acquisition, construction or development of a qualifying asset. The borrowing costs capitalised cannot exceed the total borrowing costs incurred.

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.

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

1.20 Foreign currencies

The group AFS are presented in SA rand, which is the company's functional and presentation currency. However, the group measures the transactions of each of its material operations using the functional currency determined for that specific entity, which, in most instances, is the currency of the primary economic environment in which the operation conducts its business.

Transactions denominated in foreign currencies are translated at the rate of exchange ruling at the transaction date. Monetary items denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Gains or losses arising on translation are credited to or charged in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

1.21 Foreign operations

The results and financial position of all the group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities at rates of exchange ruling at the reporting date;
- equity items are translated at historical rates; and
- income, expenditure and cash flow items at weighted average rates.

Exchange differences on translation are accounted for in OCI. These differences will be recognised in earnings upon realisation of the underlying operation.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (i.e. the reporting entity's interest in the net assets of that operation) are taken directly to equity.

The average US dollar to SA rand conversion rate, where applicable, of $1.00: R17.77 (2022: $1.00: R15.22) has been used to translate the statement of comprehensive income and statement of cash flows while the statement of financial position has been translated at the closing rate at the last day of the reporting period of $1.00: R18.74 (2022: $1.00: R16.25).

1.22 Employee benefits

Short-term benefits

The cost of short-term employee benefits is recognised during the period in which the employees render the related service. Short-term employee benefits are measured on an undiscounted basis. The accrual for employee entitlements to salaries, bonuses and annual leave represents the amount which the group has a present legal or constructive obligation to pay as a result of the employees' services provided up to the reporting date.

Defined contribution plan

The group contributes to defined contribution funds for the benefit of employees and these contributions are expensed as they fall due. The group is not liable for contributions to the medical aid of current or retired employees.

1.23 Share-based payment arrangements

Equity-settled share-based payments

Equity-settled shared-based payments are measured at the grant date fair value of the equity instruments granted, and are expensed on a straight-line basis over the vesting period, with a corresponding increase in equity. The annual expense is based on the group's estimate of the shares that will eventually vest, adjusted for the effect of non-market vesting conditions.

Cash-settled share-based payments

Cash-settled share-based payment liabilities are initially measured at fair value and subsequently remeasured to fair value at each reporting date as well as at the date of settlement, with any changes in fair value recognised in profit or loss. The expense is recognised on a straight-line basis over the vesting period, with a corresponding increase in the liability.

Significant accounting policies

1.23 Share-based payment arrangements (continued)

Cancellation and settlement

Where an award is cancelled or settled (i.e. cancelled with some form of compensation), other than by forfeiture to satisfy the vesting conditions:

- if the cancellation or settlement occurs during the vesting period, it is treated as an acceleration of vesting, and the group recognises immediately the amount that would otherwise have been recognised for services received over the remainder of the vesting period.

Where the group pays compensation for a cancelled award:

- any compensation paid up to the fair value of the award at cancellation or settlement date (whether before or after vesting) is accounted for as a deduction from equity, as being equivalent to the redemption of any equity instrument;
- any compensation paid in excess of the fair value of the award at cancellation or settlement date (whether before or after vesting) is accounted for as an expense in profit or loss.

1.24 Determination and presentation of operating segments

Operating segments are reported on in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the reportable operating segments, has been identified as the group executive committee. Operating segments reported are based on the group's different investment portfolios.

The group has four reportable operating segments which are managed separately based on geographical areas and use of portfolio. The group executive committee reviews internal management reports on these strategic divisions at least twice a year. The group's reportable operating segments are as follows:

Direct owned real estate:

- Rest of South Africa;
- Waterfall City; and
- Head office SA.

Indirect owned real estate:

- Other.

The Rest of South Africa and Waterfall City segments comprises of retail-experience hubs, collaboration hubs, logistics hubs and hotel segments that generate rental income from the underlying properties. Head office SA generates revenue from fees charged to external parties and includes the SA rand denominated long-term borrowings. Included in Waterfall City is Waterfall Developments which does not generate revenue while under construction. Other includes equity accounted investments. In the prior year the head office Global included foreign denominated long-term borrowings which were settled.

Segment results that are reported to the chief operating decision-maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. The chief operating decision-maker, however, assesses each investment property or item on an individual basis in making decisions about its performance.

1.25 Dividends

Dividends and other distributions to the holders of equity instruments, in their capacity as owners, are recognised directly in equity at the date of declaration.

2. CRITICAL ACCOUNTING JUDGEMENTS INCLUDING THOSE INVOLVING ESTIMATIONS

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

2.1 Control over certain investment in associates

The group has certain investments in associates in which it effectively owned in excess of 20.0% of the issued share capital of the associates. The group has deemed these investments to be associates as it does not have control. The assessment of control over these investments took into account the following:

- the number of directors that the group has on the boards of the investments;
- the involvement in decision making over significant transactions and/or events of the investments; and
- the pattern of shareholder voting at shareholder meetings.

2.2 Determination of fair value of investment property

The group measures and recognises all investment property initially at cost and subsequently at fair value as noted in 1.8. The fair value estimate is determined using independent external valuations on an annual basis, adjusted as follows:

- an adjustment for the estimated future rental obligations to the lessors of the Waterfall development;
- an adjustment for the estimated future rental obligations to the lessors of the Waterfall leasehold land;
- completed developments - completed developments valued using the discounted cash flow of future rental income are adjusted with the value of the straight-lining lease debtor; and
- developments under construction - an adjustment to the present value of the difference between the estimated fair value of the investment property at completion and the total estimated development cost using the stage of completion method. The stage of completion is determined with reference to the cost incurred to date versus the total anticipated cost of the development, excluding the cost allocated to the leasehold land.

The above adjustments are made to reflect the fair value at which the asset could be exchanged between market participants at the reporting date under current market conditions.

There is significant judgement involved in the determination of the fair value of investment property. The significant unobservable inputs into the property valuations are capitalisation rates, discount rates and market rental assumptions. Refer to note 16 for the details relating to the significant unobservable inputs.

Significant accounting policies

2.3 Fair value estimation

The fair value of financial instruments traded in active markets (such as trading and FVOCI securities) are based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the group is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The group uses a variety of methods and makes assumptions that are based on market conditions existing at the end of each reporting period. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine the fair value for the remaining financial instruments. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows.

The carrying value less ECL of trade receivables and payables is assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the group for similar financial instruments.

2.4 Impairment of investment in the Rest of Africa portfolio

Management has assessed the fair value of the investment in the Rest of Africa portfolio, and has determined that a risk of volatility in the property values exist due to the current difficult economic climate in those countries in which the group has a presence.

Based on the above mentioned factors, management assessed this investment and incorporates that in the measurement of ECL. Refer to note 17 and 19.

2.5 Fair value measurements and valuation processes

Some of the group's assets and liabilities are measured at fair value for financial reporting purposes. The board, through the CEO and CFO determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the group engages third party qualified valuers to perform the valuation. The above officers work closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

The above officers report the decisions to the ARC and board bi-annually to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in the determination of the fair value of various assets and liabilities is disclosed in notes 16, note 17 and note 18.

2.6 Fair value measurement of Waterfall leasehold land

Leasehold land

The valuation in respect of Waterfall's leasehold land is based on an external valuation performed on a comparable sales valuation technique for both the current and prior year. Comparable sales used by the external valuer in the following ranges were applied in the determination of the valuation: unserviced farmland between R225 and R263 per m² (2022: R225 and R263 per m²), serviced land and bulk rates between R1 100 and R1 200 per m² (2022: R1 100 and R1 150 per m²) for logistics hubs, and R2 750 and R3 200 per m² (2022: R2 750 and R3 200 per m²) for collaboration, hotel and retail-experience hubs. The valuation is then adjusted downward to take into account, inter alia, the nature of the contractual rights and the estimated future rental obligations attached to the leasehold land (as detailed below).

Estimation of the future rental payments to WDC

In 2009 AWIC, a subsidiary of the group, entered into a purchase of development rights and lease agreements with WDC in terms which it obtained the right to develop the relevant land parcels and to call for the registration of long-term lease agreements against the title deeds of these land parcels.

In terms of the agreements AWIC is obliged to pay, to the land owner (WDC), an amount equal to 6.0% of the net rentals it generates from the leasehold improvements. This obligation is deemed inseparable from the leasehold land and should therefore impact the fair value of the relevant investment property.

The 6.0% net rental obligation is calculated based on:

- staggered rental income streams based on the anticipated completion tempo, assuming a consistent commencement date at the end of the reporting period and varying periods of construction, of the various leasehold improvements; and
- discounting of anticipated cash flow streams to determine the present value of the obligation at rates between 12.60% and 13.50% (2022: 12.27% and 14.50%).

In terms of the above-mentioned agreements, AWIC has specific obligations relating to the disposal of residential developments which supersedes the net rental obligation described above.

The obligations specifically relating to the disposal of residential developments is calculated based on:

- sales price to the end user;
- difference between such sales price and a predetermined threshold set out in the agreement; and
- the difference multiplied by 5.0%.

2.7 Capitalisation of borrowing costs

As described in note 1.19, the group capitalises borrowing costs directly attributable to the construction of qualifying assets. Capitalisation of the borrowing costs relates to construction of the group's developments in Waterfall.

2.8 Share-based payments

In applying IFRS 2: Share-based Payment, management has made certain judgements in respect of the fair value option pricing models to be used in determining the various share-based payment arrangements in respect of employees, as well as the variable elements used in these models. For share-based payments, estimates are made in determining the fair value of equity instruments granted. Assumptions are used in the valuation models and include assumptions regarding future distributions, development roll-out, development surplus, transformation and expected employee attrition rate.

Significant accounting policies

2.9 Critical accounting judgements and key sources of estimation relating to IFRS 16 relating to rental the lease with WDC

Lease identification – rental payments to WDC

In 2009 AWIC, a subsidiary of the group, entered into a purchase of development rights and lease agreements with WDC in terms of which it obtained the right to develop the relevant land parcels and to call for the registration of long-term lease agreements against the title deeds of these land parcels. In terms of the agreements AWIC is obliged to pay, to the land owner (WDC), an amount equal to 6.0% of the net rentals it generates from the leasehold improvements.

The directors of the group assessed whether or not the contract with WDC contains a lease for the leasehold land. In making the assessment, the directors have established that WDC cannot use the leasehold land for any other purposes during the course of the agreement and therefore the group does have the right to obtain substantially all of the economic benefits from the use of the leasehold land. As a result the directors concluded that the group has contracted for substantially all of the capacity of the leasehold land, and therefore the contract contains a lease.

Lease term

Where the group recognises a lease liability and corresponding right-of-use asset, consideration is given around the extension options of the lease, in terms of IFRS 16: Leases. An evaluation of the facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option on the remaining lease term, is performed. These include an assessment of the likelihood of renewal by the tenant situated on the leasehold land, the potential business disruption by not extending and the unrecoverable costs or penalties incurred to extend or terminate the contract. The group concluded that all lease liabilities and right-of-use assets are appropriately accounted for based on the lease term and that any significant changes or circumstances in the current year to this assessment have been account for.

In substance fixed payments

The in substance fixed payments are determined with reference to the underlying tenant leases, being the contractual rental per the lease agreement. Once a lease is signed the payment of the 6.0% to WDC becomes in substance fixed. In the absence of a signed lease agreement, the lease payments are contingent.

Annual renewal of WDC lease

The lease with WDC is a 99-year lease that is renewed every three years, automatically. The directors have assessed whether the renewal constitutes a lease modification and have concluded that the renewal is not a lease modification as it has been taken into account at inception of the lease.

Incremental borrowing rate

The incremental borrowing rate is the rate applied at inception of the lease. The annual renewal of the lease has been assessed not to be a lease modification and the incremental borrowing rate remains the rate used at inception.

2.10 Preparation of cash flow forecasts

The application of judgement is inherent in the preparation of cash flow forecasts which are used by the group in support of the going concern assumption, the recoverability of rental income from tenants, the anticipated operational cost to be spent, capital expenditure relating to completed properties, the anticipated development spend, the servicing of interest on long-term borrowings and swaps and the ability to utilise its assessed taxation losses.

The forecasts are based on the expected cash generated/utilised from the Rest of South Africa, Waterfall City and Other segment which are reviewed monthly by the executive committee and approved by the Board on a quarterly basis.

2.11 Financial assets

In applying IFRS 9: Financial Instruments, management makes judgements and assumptions in determining the impairment losses to be recognised in relation to financial assets. The ECL allowances for financial assets are based on assumptions about risk of default and expected loss rate. The group and company uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the group's and company's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Refer to note 1.11 for the accounting policy regarding determination of ECL.

Methodology for calculating ECLs

The methods for calculating ECLs for each financial asset type depends on the underlying assets and their properties. Sometimes several techniques and models may be used within a single asset class.

The following methods were used within the group:

Category	Type of credit loss model used
Loans receivable (inter-company, related party and other loans)	Moody's Analytics "RiskCalc" SA financial statement PD and LGD model and data. For property investment companies, the asset break up value may be applied for LGD. Adjusted for items such as implied group support. Where the counterparty is an investment holding company, the PD and LGD measurement may be applied to operating subsidiaries that generate the cash flow for the counterparty.
Guarantees	Ratings or Moody's Analytics RiskCalc SA financial statement PD and LGD models, adjusted for such items as implied group support.
Rental debtors	Ratings, estimated ratings and Moody's Analytics financial statement PD model. Judgmental adjustments are made to model derived calculations on occasion.

Calculated through-the-cycle loss rates are converted into point-in-time losses and then into ECL percentages using Moody's Analytics ImpairmentCalc product and their GCorr economic forecasts and scenarios.

Significant accounting policies

2.11 Financial assets (continued)

Management used the RiskCalc product (including its LossCalc module) to calculate PDs and LGDs based on the input of financial statements of a counterparty. Where reliable financial statements (which may include management accounts) are not available, alternative techniques are used to calculate PDs and LGDs. Where a company, that rating is applied instead of the RiskCalc PD.

RiskCalc uses a very comprehensive multi-decade historical database of company financial information and default events to calculate PD and LGD.

The output from RiskCalc is a through-the-cycle measure of PD and LGD and from CreditEdge implied ratings which have to be converted to Point-in-time measures (at measurement date) and then conditioned into a forward-looking measure, using forward-looking indicators and scenarios to arrive at an IFRS 9: Financial instruments compliant ECL.

Management used the ImpairmentCalc product to convert (or condition) through-the-cycle PDs and LGDs as well as ratings into ECLs through the use of forward-looking information. ImpairmentCalc uses the Moody's multi-factor GCorr credit risk model, validated historic macroeconomic data and forecast macroeconomic data and scenarios with recommended weightings.

The output of ImpairmentCalc is a term ECL (i.e. 12 months, lifetime or a specific period in between).

Ratings, measured PD and LGDs are converted from through-the-cycle to point-in-time measures using Moody's Analytics ImpairmentCalc product. ImpairmentCalc then converts (or "conditions") these historic or point-in-time measures into forward-looking measures that constitute the ECL. This conditioning utilises their proprietary models, their database of validated historic macroeconomic and default data and forecast scenarios and recommended weightings of scenarios.

This is consistent with the methodology applied in prior periods.

Moody's Analytics produces a set of macroeconomic forecasts for SA that considers the historical accuracy of various forecasters to identify reliable sources. These are incorporated into their GCorr macroeconomic forecast set. Based on research conducted by Moody's Analytics they recommend the use of their Baseline, Stronger Near-Term Rebound (S1), and Moderate Recession (S3) forecast sets weighted 40.0%, 30.0% and 30.0% respectively for a forward-looking adjustment for the purposes of IFRS 9: Financial instruments. They consider both public and private SA company defaults in this research. The methodology does consider the industry of the asset and includes in the calculations likely volatility of that industry to the average impact of the SA economy.

Moody's Analytics does not disclose the specific macroeconomic variables that they have found to be best predictive of changes in credit risk in SA but do provide indicators of the impact of certain of their measures. The forecast GDP growth for the year to Q2 2023 ranges from 2.7% to 2.02% with the baseline at 0.31%. The economy is forecast to reach pre-COVID levels (Q4 2019) between Q3 2022 and Q1 2025 across the three scenarios. GDP is not the only factor that determines the extent of the adjustment but is described here to illustrate the extent of impact on the general economy that is being taken into account.

Inter-company and related party loans

The loans between group companies (inter-company loans) and any related party loans were valued based on the risk of the counterparty under the general approach.

Management determined the staging of each asset in terms of the accounting policy detailed in 1.11.

Where a loan has been subordinated or has restricted terms of repayment, the term of the loan is extended to the estimated date that such restriction on repayment is likely to end and it is treated as a loan with a fixed term regardless of the stated term. Where the period of the restriction is uncertain or dependent on a future event, we estimate its likely period.

Where a loan has a fixed term or a minimum term, this term is applied to the calculation of the ECL and a one year or lifetime ECL is applied depending on the staging of the loan.

Where a loan is repayable on demand, an assessment is made of the debtor's ability to repay if demand for immediate repayment is made. If there are:

- sufficient cash and near cash investments to make repayment, it is assumed that the risk is negligible and no ECL is raised;
- insufficient cash resources, the term of a loan is estimated by assessing how long it will take to repay in the normal course of business with reference to the cash flow of the debtor entity. The cash flow is estimated using the most recent financial year's financial statements or management accounts. Management used a Debt Service Cover ratio calculation to estimate the available cash flow and assume that this can be used to repay the loan. Where the cash flow is negative or very low, a repayment period was assumed based on management's strategic plans for the business.

Where a loan is in stage 1, a one year ECL is applied.

Where a loan is in stage 2 or 3, the lifetime loss is applied. The term of such a loan is estimated by assessing how long it will take to repay in the normal course of business.

The policy is to allow the debtor to realise assets in the ordinary course of business. Managements' experience indicates that the time from the point of decision to sell, to receipt of the proceeds of sale, is:

- SA properties excluding vacant land - 6 months;
- vacant land - 12 months; and
- African properties outside of SA - 12 months.

The interest rates used are the stated rates of each loan. ECL calculations include the interest rate of each loan.

Where the nature of the counterparty is an investment holding company holding shares for the purposes of long term investment, we look at the underlying investments to determine the risk.

Where the nature of the counterparty is one that has investments in assets that can be easily realised at an objective market value, the PD is derived by RiskCalc. The LGD is based on the value of the assets. Where an asset is real estate, the property valuation is used with the application of a haircut to take into account the recovery rates typically achieved by the SA banking industry for the relevant property class.

Significant accounting policies

2.11 Financial assets (continued)

Guarantees

The group, through Attacq, ARF and Lynnwood Bridge has issued various guarantees to support borrowings by subsidiaries from financial institutions.

The fair value of the guarantees is measured at the date of issue and amortised to the financial period end date. This amortised cost is compared to the ECL measured on a one year or lifetime basis, depending on the stage, and the higher of the two is recognised.

The risk of the guarantees on date of issue is determined by the cost of the guarantees where an arm's length price was paid. Where no payment was made, the cost is determined by the saving in interest rate that was achieved by the issuance of the guarantee where such a guarantee is supporting a lending transaction. In the absence of either of these, the risk of the guarantee is determined as the ECL that will be incurred over the lifetime of the guarantee, which is the case in the group situation.

Guarantees were valued based on the risk of the counterparty whose obligations have been guaranteed. The ECL on the guarantees is limited by the fair value of the guarantor. The NAV has been used as the indicator of fair value. Where cross guarantees have been issued by a number of group companies, the risk lies with the group.

The inputs into the models are the historical AFS of the group or management accounts. These include revaluations of properties. Valuations are carried out by independent professional valuers. The output is a historic PD or estimated rating and LGD.

Lease receivables

The group applies the IFRS 9: Financial instruments simplified approach in measuring ECL on lease receivables, which requires a lifetime loss allowance.

The group has applied specific ECLs to trade and other receivables balances based on managements' judgement as well as a general ECL.

To measure the general ECL, the rental debtors have been grouped based on shared credit risk characteristics and into common ageing buckets. Our divisional structure reflects our exposure to different tenant groups, and we have disclosed each divisions ECL rate.

The calculation of ECL rates, which is a forward-looking measure, is based on:

- a rating that is mapped to a PD rate; multiplied by
- the expected exposure at default; multiplied by
- the % of defaulted amounts that were irrecoverable (LGD); and
- adjusted by a factor to convert historical loss experience to future credit loss expectations, using multiple macroeconomic scenarios.

2.12 Recognition of rental income and straight-line lease income adjustment

In the prior year management has entered into negotiations with tenants in order to offer rental relief in the form of rental discounts.

The recognition of rental income is an area involving management judgement, requiring assessment as to whether it will be highly probable that a rental discount will be granted. To the extent that management's assessment indicates that it will be highly probable that a discount will be granted, the revenue will not be recognised.

2.13 Intangible assets impairment

Management undertakes an annual impairment test for intangible assets. For assets with finite useful lives, impairment testing is performed if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Impairment testing is an area involving management judgement, requiring assessment as to whether the carrying amounts of assets can be supported by the higher of their fair value less costs of disposal and value in use.

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. In calculating the net present value of the future cash flows, certain assumptions are required to be made in respect of highly uncertain matters including management's expectations of:

- growth in property management fee income;
- growth in asset management fee income;
- increase in property and asset management expenses;
- increase or decrease in property valuations;
- long-term growth rates; and
- the selection of appropriate discount rates to reflect the risks involved.

Details of the basis for determining values assigned to key assumptions are provided in note 23.

Changing the assumptions selected by management, in particular the discount rate and growth rate assumptions used in the projections, could significantly affect the group's impairment evaluation and consequently its results.

The group's review includes a sensitivity analysis of the key assumptions related to the cash flow projections as disclosed in note 23.

Significant accounting policies

3. NEW ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS

On 1 July 2023, the following new accounting pronouncements, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group.

Standard	Details of amendments	Impact on the financial statements
Amendments to IAS 1 and IFRS Practice Statement 2: Effective for annual periods beginning on or after 1 January 2023.	In February 2021, the Board issued amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by: ■ Replacing the requirement for entities to disclose their 'significant accounting policies' with a requirement to disclose 'material accounting policy information'; and ■ Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	The amendment is not expected to have a material impact on the group.
Definition of Accounting Estimates – Amendments to IAS 8: Effective for annual periods beginning on or after 1 January 2023.	In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	The amendment is not expected to have a material impact on the group.

Standard	Details of amendments	Impact on the financial statements
International Tax Reform – Pillar Two Model Rules – Amendments to IAS 12: The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later.	In May 2023, the Board issued amendments to IAS 12, which introduce a mandatory exception in IAS 12 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The amendments clarify that IAS 12 applies to income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two Model Rules published by the Organization for Economic Cooperation and Development (OECD), including tax law that implements qualified domestic minimum top-up taxes. Such tax legislation, and the income taxes arising from it, are referred to as 'Pillar Two legislation' and 'Pillar Two income taxes', respectively.	The amendment is not expected to have a material impact on the group.
Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants – Amendments to IAS 1: Effective for annual periods beginning on or after 1 January 2024.	In January 2020 and October 2022, the Board issued amendments to IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify: ■ What is meant by a right to defer settlement ■ That a right to defer settlement must exist at the end of the reporting period ■ That classification is unaffected by the likelihood that an entity will exercise its deferral right ■ That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification ■ Disclosures	The amendment is not expected to have a material impact on the group.

Significant accounting policies

3. NEW ACCOUNTING STANDARDS, AMENDMENTS TO PUBLISHED STANDARDS AND INTERPRETATIONS (continued)

Standard	Details of amendments	Impact on the financial statements
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16: Effective for annual periods beginning on or after 1 January 2024.	In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.	The amendment is not expected to have a material impact on the group.
IFRS 17 Insurance Contracts: Effective for annual periods beginning on or after 1 January 2023.	In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts.	The amendment will not impact the group.
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12: Effective for annual periods beginning on or after 1 January 2023.	In May 2021, the Board issued amendments to IAS 12 Income Taxes, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.	The amendment is not expected to have a material impact on the group.
Disclosures: Supplier Finance – Arrangements Amendments to IAS 7 and IFRS 7: Effective for annual periods beginning on or after 1 January 2024.	In May 2023, the Board issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments specify disclosure requirements to enhance the current requirements, which are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.	The amendment will not impact the group.
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28. The amendments must be applied prospectively. Early application is permitted and must be disclosed.	IASB decided to defer the effective date of the amendments until such time as it has finalised any amendments that result from its research project on the equity method. The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3 Business combinations. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.	The amendment will not impact the group.

Notes to the financial statements

4. SEGMENTAL REPORTING

GROUP

Figures in R'000s	2023											
	Rest of South Africa			Waterfall City					Head office SA	Total South African portfolio	Other	Total
	Retail-experience hubs	Collaboration hubs	Hotel	Retail-experience hubs	Collaboration hubs	Logistics hubs	Hotel	Developments				
STATEMENT OF FINANCIAL POSITION												
Investment property	4 388 794	1 410 738	236 422	4 745 382	4 055 473	1 642 635	303 614	–	–	16 783 058	–	16 783 058
Waterfall developments	–	–	–	–	–	–	–	869 511	–	869 511	–	869 511
Developments under construction	–	–	–	–	–	–	–	43 164	–	43 164	–	43 164
Leasehold land	–	–	–	–	–	–	–	826 347	–	826 347	–	826 347
Straight-line lease debtor	90 366	162 087	17 331	117 501	488 452	175 537	29 085	–	–	1 080 359	–	1 080 359
Investments in associates and joint ventures	405	1 956	–	–	–	–	–	–	48	2 409	327 080	329 489
Other financial assets	2 284	–	–	–	386 448	5 893	–	–	44 193	438 818	986 258	1 425 076
Loans to associates and joint ventures	–	–	–	–	–	–	–	97 805	–	97 805	226 533	324 338
Trade and other receivables	35 118	8 579	421	34 741	30 090	85	904	428	87 077	197 443	103	197 546
Cash and cash equivalents	29 623	12 126	–	31 726	66 494	31 182	899	19 391	526 257	717 698	5 197	722 895
Inventory	–	3 558	–	–	5 736	–	–	57 758	–	67 052	–	67 052
Other assets	–	1 825	–	–	–	–	–	–	38 718	40 543	–	40 543
Total assets	4 546 590	1 600 869	254 174	4 929 350	5 032 693	1 855 332	334 502	1 044 893	696 293	20 294 696	1 545 171	21 839 867
Long-term borrowings	–	–	–	–	–	–	–	–	8 384 893	8 384 893	–	8 384 893
Other financial liabilities	–	–	–	–	–	–	–	–	2 414	2 414	–	2 414
Loans from associates	–	–	–	–	–	–	–	–	–	–	4 707	4 707
Deferred tax liabilities	–	–	–	–	–	–	–	–	268 930	268 930	–	268 930
Trade and other payables	103 839	27 796	769	82 965	138 206	20 761	3 187	(93 194)	198 807	483 136	–	483 136
Lease liability	–	8 598	–	48 614	97 081	73 565	10 368	–	354	238 580	–	238 580
Other liabilities	–	–	–	–	–	8 333	–	764	2 688	11 785	2 262	14 047
Total liabilities	103 839	36 394	769	131 579	235 287	102 659	13 555	(92 430)	8 858 086	9 389 738	6 969	9 396 707

Notes to the financial statements

4. SEGMENTAL REPORTING

GROUP

Figures in R'000s	2023											
	Rest of South Africa			Waterfall City								
	Retail-experience hubs	Collaboration hubs	Hotel	Retail-experience hubs	Collaboration hubs	Logistics hubs	Hotel	Developments	Head office SA	Total South African portfolio	Other	Total
STATEMENT OF COMPREHENSIVE INCOME												
Rental income	635 226	248 995	30 534	588 503	575 823	196 757	42 510	–	13 902	2 332 250	–	2 332 250
Straight-line lease income adjustment	(5 379)	(10 926)	5 096	(19 225)	(16 035)	40 118	7 111	–	–	760	–	760
Sale of sectional title units	–	–	–	–	103 379	–	–	–	–	103 379	–	103 379
Property expenses/PM fee income	(265 438)	(94 764)	(7 386)	(269 110)	(191 089)	(58 478)	(13 312)	–	7 809	(891 768)	–	(891 768)
ECL on trade and other receivables	8 740	299	109	4 624	52 439	–	–	–	1 457	67 668	–	67 668
Cost of sales of sectional title units	–	–	–	–	(76 965)	–	–	–	–	(76 965)	–	(76 965)
Net profit from property operations	373 149	143 604	28 353	304 792	447 552	178 397	36 309	–	23 168	1 535 324	–	1 535 324
Other income	–	–	–	5 964	825	4	–	–	9 228	16 021	210	16 231
Operating expenses	(22 731)	(8 605)	(1 309)	(10 851)	(19 519)	(8 966)	(1 550)	–	(117 068)	(190 599)	(1 666)	(192 265)
ECL on loans to associates and suretyships	–	–	–	–	–	–	–	–	(18 343)	(18 343)	(49 045)	(67 388)
Other expenses	–	–	–	–	(3 069)	1	–	(33 838)	(10 660)	(47 566)	–	(47 566)
Operating profit (loss)	350 418	134 999	27 044	299 905	425 789	169 436	34 759	(33 838)	(113 675)	1 294 837	(50 501)	1 244 336
Fair value adjustments	(16 818)	(173 346)	(23 763)	345 403	(180 586)	20 732	(22 757)	46 858	83 123	78 846	3 037	81 883
Net loss from associates	–	–	–	–	–	–	–	–	(23 798)	(23 798)	(55 421)	(79 219)
Investment income	4 128	1 737	187	2 626	41 231	1 054	65	–	21 050	72 078	90 440	162 518
Finance costs	–	488	–	(5 193)	(11 160)	(12 744)	(985)	–	(786 285)	(815 879)	–	(815 879)
Profit (loss) before tax	337 728	(36 122)	3 468	642 741	275 274	178 478	11 082	13 020	(819 585)	606 084	(12 445)	593 639
Taxation	–	–	–	–	–	–	–	–	(70 087)	(70 087)	(3 266)	(73 353)
Profit (loss) for the year attributable to owners	337 728	(36 122)	3 468	642 741	275 274	178 478	11 082	13 020	(889 672)	535 997	(15 711)	520 286

Notes to the financial statements

4. SEGMENTAL REPORTING

	GROUP												
	2022												
	Rest of South Africa			Waterfall City									
Figures in R'000s	Retail-experience hubs	Colla-boration hubs	Hotel	Retail-experience hubs	Colla-boration hubs	Logistics hubs	Hotel	Develop-ments	Head office SA	Total South African portfolio	Head office Global	Other	Total
STATEMENT OF FINANCIAL POSITION													
Investment property	4 365 777	1 584 825	260 185	4 359 946	4 238 807	1 526 732	312 100	–	–	16 648 372	–	–	16 648 372
Waterfall developments	–	–	–	–	–	–	–	936 947	–	936 947	–	–	936 947
Developments under construction	–	–	–	–	–	–	–	31 419	–	31 419	–	–	31 419
Leasehold land	–	–	–	–	–	–	–	905 528	–	905 528	–	–	905 528
Straight-line lease debtor	95 747	173 012	12 235	136 725	504 485	135 417	21 974	–	–	1 079 595	–	–	1 079 595
Investments in associates and joint ventures	35 956	1 913	–	–	–	–	–	–	46	37 915	–	257 862	295 777
Other financial assets	3 901	–	–	512	327 013	6 260	–	–	38 602	376 288	–	916 235	1 292 523
Loans to associates and joint ventures	–	–	–	–	–	–	–	95 265	–	95 265	–	–	95 265
Trade and other receivables	38 815	4 753	3 261	27 152	37 607	8 952	2 464	3 643	105 637	232 284	79	–	232 363
Cash and cash equivalents	33 798	30 541	–	50 916	54 377	21 255	247	30 819	494 272	716 225	896	–	717 121
Inventory	–	–	–	–	11 520	–	–	37 314	–	48 834	–	–	48 834
Non-current assets held for sale	–	–	–	35 806	–	–	–	–	–	35 806	–	224 940	260 746
Deferred tax assets	–	–	–	–	–	–	–	–	1 109	1 109	–	–	1 109
Other assets	–	2 510	–	–	–	–	–	–	15 120	17 630	–	–	17 630
Total assets	4 573 994	1 797 554	275 681	4 611 057	5 173 809	1 698 616	336 785	1 103 988	654 786	20 226 270	975	1 399 037	21 626 282
Long-term borrowings	–	–	–	–	–	–	–	–	8 281 402	8 281 402	–	–	8 281 402
Other financial liabilities	–	–	–	–	–	–	–	–	77 670	77 670	–	–	77 670
Loans from associates	–	–	–	–	–	–	–	–	–	–	–	4 082	4 082
Deferred tax liabilities	–	–	–	–	–	–	–	–	200 765	200 765	–	–	200 765
Trade and other payables	134 694	28 276	632	67 372	96 301	13 082	9 356	1 068	107 822	458 603	–	–	458 603
Lease liability	–	8 351	–	48 597	109 992	72 866	10 816	–	6 163	256 785	–	–	256 785
Other liabilities	–	–	–	–	–	–	–	15 059	2 781	17 840	–	–	17 840
Total liabilities	134 694	36 627	632	115 969	206 293	85 948	20 172	16 127	8 676 603	9 293 065	–	4 082	9 297 147

Notes to the financial statements

4. SEGMENTAL REPORTING

	GROUP												
	2022												
	Rest of South Africa			Waterfall City									
Figures in R'000s	Retail-experience hubs	Collaboration hubs	Hotel	Retail-experience hubs	Collaboration hubs	Logistics hubs	Hotel	Developments	Head office SA	Total South African portfolio	Head office Global	Other	Total
STATEMENT OF COMPREHENSIVE INCOME													
Rental income	591 336	236 341	31 935	514 426	569 683	175 194	39 938	–	13 331	2 172 184	–	–	2 172 184
Straight-line lease income adjustment	(14 669)	7 651	3 562	6 403	36 739	15 785	9 153	–	–	64 624	–	–	64 624
Sale of sectional title units	–	–	–	–	284 765	–	–	–	–	284 765	–	–	284 765
Property expenses/PM fee income	(252 939)	(87 598)	(6 849)	(231 226)	(158 332)	(46 358)	(10 938)	–	2 633	(791 607)	–	–	(791 607)
ECL on trade and other receivables	10 507	1 818	902	5 043	(50 541)	–	–	–	1 646	(30 625)	–	–	(30 625)
Cost of sales of sectional title units	–	–	–	–	(216 664)	–	–	–	–	(216 664)	–	–	(216 664)
Net profit from property operations	334 235	158 212	29 550	294 646	465 650	144 621	38 153	–	17 610	1 482 677	–	–	1 482 677
Other income	–	–	–	–	1 038	18 893	–	–	37 903	57 834	–	146 263	204 097
Operating expenses	(24 220)	(8 812)	(1 266)	(14 408)	(25 109)	(7 379)	(1 357)	–	(107 543)	(190 094)	–	–	(190 094)
ECL on loans to associates and suretyships	–	–	–	–	–	–	–	–	(13 125)	(13 125)	–	–	(13 125)
Other expenses	–	–	–	–	(4 461)	(1 060)	–	(37 595)	(41 981)	(85 097)	–	–	(85 097)
Operating profit (loss)	310 015	149 400	28 284	280 238	437 118	155 075	36 796	(37 595)	(107 136)	1 252 195	–	146 263	1 398 458
Fair value adjustments	(169 390)	(28 078)	29 744	452 051	102 839	27 962	12 725	(172 878)	392 449	647 424	–	–	647 424
Net income (loss) from associates	–	–	–	–	–	–	–	–	1 373	1 373	–	(25 108)	(23 735)
Investment income	1 929	1 453	586	1 129	43 441	1 211	438	–	19 767	69 954	–	68 567	138 521
Finance costs	–	460	–	(5 121)	(10 637)	(21 076)	(1 016)	–	(759 189)	(796 579)	(32 007)	–	(828 586)
Profit (loss) before tax	142 554	123 235	58 614	728 297	572 761	163 172	48 943	(210 473)	(452 736)	1 174 367	(32 007)	189 722	1 332 082
Taxation	–	–	–	–	–	–	–	–	(152 522)	(152 522)	–	–	(152 522)
Profit (Loss) for the year attributable to owners	142 554	123 235	58 614	728 297	572 761	163 172	48 943	(210 473)	(605 258)	1 021 845	(32 007)	189 722	1 179 560

Notes to the financial statements

5. RENTAL INCOME AND SALE OF SECTIONAL TITLE UNITS

5.1 Rental income

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Contractual rental income	**1 635 959**	1 573 347	**–**	–
COVID-19 rental income discounts	**–**	(14 509)	**–**	–
Recoveries	**570 579**	512 833	**–**	–
Casual parking income	**53 186**	53 967	**–**	–
Turnover rental	**26 442**	14 504	**–**	–
Non-GLA income	**23 334**	15 548	**–**	–
Fee income	**16 929**	15 935	**–**	–
Lease cancellation fee	**5 821**	559	**–**	–
Total	**2 332 250**	2 172 184	**–**	–

In the prior year, in response to the COVID-19 pandemic and specifically the economic effects of the national lockdown on the group's tenants (taking into consideration guidelines and details issued by the PI group on financial assistance for tenants in SA), the group negotiated R14.5 million in rental discounts. No rental discounts was provided in the current year.

Lease cancellation fees in the current year relate mainly to a tenant in the collaboration hubs of R4.0 million. Lease cancellation fees in the prior year mainly relate to a tenant in the retail-experience hubs of R0.6 million.

There are no other performance obligations that are not satisfied (or partially unsatisfied) at the end of the reporting period.

5.2 Sale of sectional title units

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Disposal of sectional title units in Waterfall Point and Ellipse Waterfall	**103 379**	284 765	**–**	–
Total	**103 379**	284 765	**–**	–

Revenue from the sale of inventory is recognised on the date of registration/transfer. There are no associated contract balances. Please refer to note 26 for further detail on the inventory balances.

6. STRAIGHT-LINE LEASE INCOME ADJUSTMENT

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Balance at 1 July	**1 079 595**	1 019 441	**–**	–
Current year movement	**760**	64 624	**–**	–
Straight-line lease adjustment - held for sale	**4**	(4 470)	**–**	–
Balance at 30 June	**1 080 359**	1 079 595	**–**	–

Notes to the financial statements

7. PROPERTY EXPENSES

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Municipal charges	**(524 452)**	(515 162)	**–**	–
Operating costs	**(91 968)**	(84 476)	**–**	–
Diesel expense*	**(50 858)**	(6 926)	**–**	–
Staff expenses	**(45 881)**	(40 897)	**–**	–
Rental paid on short-term leases	**(3 380)**	(3 445)	**–**	–
Security expenses	**(41 971)**	(37 802)	**–**	–
Levies	**(29 524)**	(25 817)	**–**	–
Cleaning	**(24 716)**	(22 184)	**–**	–
Exhibition expenses	**(11 793)**	(10 307)	**–**	–
Repairs and maintenance	**(50 535)**	(26 774)	**–**	–
Trade and other receivables written off	**(11 021)**	(10 119)	**–**	–
Deferred leasing expenditure#	**(5 411)**	(7 054)	**–**	–
Depreciation	**(258)**	(644)	**–**	–
Subtotal	**(891 768)**	(791 607)	**–**	–
ECL provisions for trade and other receivables	**67 668**	(30 625)	**–**	–
Total	**(824 100)**	(822 232)	**–**	–

This includes letting commission and amortization of deferred initial lease expenditure.

* *This has been reclassified from operating costs to diesel expense in the current and prior year.*

8. OTHER INCOME

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Share-based payments	**–**	11 161	**–**	–
Profit on disposal of investment properties	**–**	18 833	**–**	–
Profit on disposal of non-current assets held for sale	**5 894**	–	**–**	–
Profit on disposal of associates	**–**	–	**–**	–
Profit on disposal of other assets	**800**	–	**800**	–
Foreign exchange gain realised	**210**	112 484	**–**	–
Sundry income	**2 913**	2 159	**69**	–
Reversal of impairment ECL other loans	**–**	60	**–**	–
Reversal of ECL of loans to associates#	**1 666**	30 539	**1 666**	3 208
Reversal of ECL of loans to subsidiaries@	**–**	–	**1 369**	20 768
Reversal of ECL on guarantee~	**203**	15 839	**–**	–
Reversal of ECL of loans to other	**33**	1 487	**–**	–
POA income	**4 355**	5 087	**–**	–
Derecognition gain on IFRS 16	**157**	–	**–**	–
Derecognition gain on financial instrument	**–**	–	**32 781**	20 645
Reversal of impairment on ECL guarantees*	**–**	–	**11 112**	103 584
Reversal of impairment of investment in associate^	**–**	6 448	**–**	–
Total	**16 231**	204 097	**47 797**	148 205

Reversals of ECL of loans to associates for group in the current year relates to Kompasbaai. Prior relates to the loan in Gruppo.

@ *Reversal of ECL on loans to subsidiaries for the company relates mainly to the ECL of the loan to AWIC of R1.1 million (2022 : R18.1 million) (note 42).*

~ *Reversal of ECL on guarantee for the group relates to the guarantee provided to the Moolman Group of R0.2 million (2022: R15.8 million) (note 18 and 34).*

* *Reversal of impairment on ECL of guarantees for the company of R11.1 million (2022: R103.6 million) relates to guarantees provided to various funders to secure funding for AWIC, ARF and Lynnaur (note 18 and 34).*

^ *Reversal of impairment of investment in associate in the previous year relate to the investment in AttAfrica. Refer to note 17 for more information.*

Notes to the financial statements

9. OPERATING EXPENSES

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Auditor's remuneration	**(7 041)**	(5 567)	**–**	–
Audit services rendered	**(5 977)**	(5 567)	**–**	–
Non-audit services rendered	**(1 064)**	–	**–**	–
Deferred leasing expense	**(540)**	(964)	**–**	–
Depreciation	**(3 493)**	(3 757)	**–**	–
Early bond settlement fees and transaction costs	**(2 207)**	(15 890)	**–**	–
Employee remuneration	**(85 079)**	(76 698)	**–**	–
Non-executive directors' remuneration	**(5 203)**	(4 587)	**(5 203)**	(4 587)
Share-based payment expense	**(16 399)**	(73)	**–**	–
Executive directors' share-based payments	**(4 724)**	–	**–**	–
Prescribed officers' share-based payments	**(2 719)**	–	**–**	–
Staff share-based payments	**(8 957)**	(73)	**–**	–
Other operating expenses*	**(72 303)**	(82 558)	**(2 265)**	(2 199)
Total	**(192 265)**	(190 094)	**(7 468)**	(6 786)

* *Other operating expenses include BEE expenditure, marketing, professional fees and license fees.*

10. OTHER EXPENSES

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Loss on disposal of investment properties	**(6 779)**	(4 464)	**–**	–
Foreign exchange loss unrealised	**–**	(33 105)	**–**	(33 105)
Sundry expenses	**–**	(409)	**–**	–
Professional fees	**(433)**	–	**–**	–
Write-off of infrastructure costs	**(609)**	(8 184)	**–**	–
Land holding costs#	**(33 384)**	(31 225)	**–**	–
POA expenses	**(6 361)**	(7 710)	**–**	–
Subtotal	**(47 566)**	(85 097)	**–**	(33 105)
ECL on loans to associates*	**(53 999)**	(13 125)	**–**	(86)
ECL on loans to other~	**(13 389)**	–	**–**	–
ECL on loans to subsidiaries*	**–**	–	**(67 599)**	(336 351)
Total	**(114 954)**	(98 222)	**(67 599)**	(369 542)

Includes rates and taxes, POA levies, marketing and security costs relating to the leasehold land.

* *ECL on loans to associates relates mainly to the ECL of the loan to Gruppo.*

~ *ECL on loans to other relates mainly to the ECL of the loan to Cell C.*

* *ECL on loans to subsidiaries for the company relates mainly to the ECL of the loan to AMS of R67.3 million (2022: R69.6 million) and AIHI Rnil (2022: R266.7 million).*

Notes to the financial statements

11. INVESTMENT INCOME

	GROUP		COMPANY	
Figures in R'000s	**2023**	2022	**2023**	2022
Dividend income	**69 605**	68 604	**344 933**	270 284
Dividends - local^	**–**	–	**344 933**	270 284
Dividends - Foreign	**69 605**	68 604	**–**	–
Interest income	**92 913**	69 917	**248 019**	206 579
Loans to associates	**20 646**	–	**–**	–
Loans to subsidiaries	**–**	–	**247 325**	206 128
Bank	**28 911**	24 636	**694**	162
Other interest#	**43 356**	45 281	**–**	289
Total	**162 518**	138 521	**592 952**	476 863

^ *Not included under Investment income is a dividend received of R11.7 million from Wingspan which is accounted for under net loss from associates.*

Other interest relates mainly to interest earned from PwC Waterfall Property Partnership.

12. FINANCE COSTS

	GROUP		COMPANY	
Figures in R'000s	**2023**	2022	**2023**	2022
Long-term borrowings	**(704 067)**	(520 615)	**–**	–
Derivative financial liabilities	**(87 936)**	(285 884)	**–**	–
Lease liability	**(23 494)**	(21 919)	**–**	–
Loans from subsidiaries	**–**	–	**–**	(391)
Other	**(382)**	(168)	**–**	–
Total	**(815 879)**	(828 586)	**–**	(391)

Notes to the financial statements

13. INCOME TAX EXPENSE

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Major components of the tax (expense) credit				
Current				
Current tax	**(4 081)**	(982)	**–**	–
Income tax - current year	**(4 081)**	(982)	**–**	–
Deferred				
Originating and reversing temporary differences	**(69 272)**	(151 540)	**–**	–
Deferred tax	**(69 272)**	(151 540)	**–**	–
Total	**(73 353)**	(152 522)	**–**	–
Reconciliation of the tax expense				
Applicable tax rate (SA corporate tax rate)	**27.00%**	28.00%	**27.00%**	28.00%
Adjusted for:				
• Non-deductible expenditure*	**1.19%**	0.45%	**0.02%**	3.66%
• ECL on loans to associates and other%	**3.06%**	0.28%	**0.00%**	0.00%
• ECL on loans to subsidiaries&	**0.00%**	0.00%	**3.23%**	37.93%
• Non-taxable income received!	**(0.02%)**	(0.52%)	**(0.60%)**	(13.53%)
• Non taxable dividend income^	**(3.17%)**	(1.44%)	**(0.56%)**	0.00%
• Fair value adjustments on investment property	**(0.73%)**	(5.85%)	**0.00%**	0.00%
• Reversal of ECL on loan to associate	**(0.08%)**	(0.65%)	**(0.08%)**	0.00%
• Notional interest on loans to subsidiaries	**0.00%**	0.00%	**(13.37%)**	(25.57%)
• Deferred tax rate change	**0.00%**	(0.14%)	**0.00%**	0.02%
• Deferred tax asset not recognised	**1.06%**	(2.78%)	**0.00%**	(4.20%)
• CFC income not included in profit before tax	**1.21%**	0.68%	**1.27%**	3.62%
• CGT losses carried forward	**0.00%**	0.00%	**0.00%**	1.45%
• Straight-lining not recognised	**(0.03%)**	(1.36%)	**0.00%**	0.00%
• Qualifying dividend distribution in terms of section 25BB	**(20.17%)**	(5.79%)	**(16.87%)**	(31.56%)
• Fair value adjustments on Investments in associates	**0.00%**	(0.14%)	**0.00%**	0.00%
• Prior period adjustment	**0.00%**	(0.14%)	**0.00%**	0.18%
• Section 24J allowance per Income Tax Act	**(0.15%)**	(0.02%)	**0.00%**	0.00%
• Income from associates~	**3.60%**	0.50%	**0.00%**	0.00%
• Other	**(0.41%)**	0.36%	**(0.04%)**	0.00%
Effective tax rate	**12.36%**	11.45%	**0.00%**	0.00%

Group

* Current year mainly relates to non-deductible capital expenditure.

% In the previous year ECL on loans to associates and other of 0.28% was included under Reversal of ECL on loan to associates.

^ In the previous year Non taxable dividend income of (1.44%) was included under Non-taxable income received.

~ In the previous year Income from associates of 0.5% was included under Other.

Company

* Prior year mainly relates to ECLs on loans to subsidiaries.

& In the previous year ECL on loans to subsidiaries of 37.93% was included under Non-deductible expenditure.

! Prior year mainly relates to reversals of ECL's on loans and guarantee provisions to subsidiaries.

Notes to the financial statements

14. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

GROUP AND COMPANY

Figures in R'000s	Basic salary	Bonus	Pension fund contributions	Other benefits*	Benefit arising from the exercise of options	Total
2023						
Executive directors						
JR van Niekerk	4 360	3 307	327	119	–	8 113
R Nana	3 268	2 646	184	98	–	6 196
Total executive directors	7 629	5 952	511	217	–	14 309
Prescribed officers						
MW Clampett	2 145	650	121	67	–	2 982
L Tsolo	964	133	18	26	–	1 141
D Theron	1 820	1 016	148	50	–	3 033
D Oosthuizen	1 966	463	221	67	–	2 716
PL de Villiers	2 089	700	118	66	–	2 973
Total prescribed officers	8 983	2 961	625	275	–	12 845
Total	16 612	8 914	1 136	492	–	27 154
2022						
Executive directors						
JR van Niekerk	4 253	1 748	240	122	690	7 053
R Nana	3 093	1 878	175	90	459	5 696
Total executive directors	7 346	3 625	415	213	1 149	12 749
Prescribed officers						
MW Clampett	2 065	365	116	63	52	2 662
L Tsolo (appointed 5 January 2022)#	437	–	25	12	–	474
D Theron	1 731	220	97	431	45	2 525
GE Pendleton (resigned 31 January 2022)	1 759	835	99	210	98	3 001
D Oosthuizen (appointed 11 May 2022)^	326	–	18	24	–	368
PL de Villiers	1 973	496	112	61	285	2 927
Total prescribed officers	8 292	1 916	468	800	480	11 957
Total	15 639	5 542	883	1 013	1 630	24 706

* *Other benefits includes group funeral, life cover and disability.*

^ *D Oosthuizen was appointed as a prescribed officer effective 11 May 2022. Total remuneration amounts shown for the prior year are remuneration earned for the period since appointment as prescribed officer.*

L Tsolo was appointed as a prescribed officer effective 5 January 2022. Total remuneration amounts shown for the prior year are remuneration earned for the period since appointment as prescribed officer.

Notes to the financial statements

14. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Figures in R'000s	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Non-executive directors - fees for services as directors				
P Tredoux	**824**	817	**824**	817
HR El Haimer	**675**	644	**675**	644
IN Mkhari	**505**	478	**505**	478
F De Buck (appointed 1 February 2023)*	**306**	–	**306**	–
Dr G Rohde (appointed 1 February 2023)	**226**	–	**226**	–
S Shaw-Taylor*	**804**	884	**804**	884
JHP van der Merwe	**575**	482	**575**	482
AE Swiegers*	**721**	661	**721**	661
TP Leeuw*	**566**	620	**566**	620
Total	**5 202**	4 587	**5 202**	4 587

P Tredoux's fees were paid to Tredoux Family Holdings Proprietary Limited.

Except for the above, all non-executive directors' fees were paid to the individuals in their personal capacity.

* *The amounts are inclusive of VAT.*

Notes to the financial statements

14. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Share options granted to executive directors

The following options and rights in shares in the group were exercised or are outstanding in favour of directors and prescribed officers of the group under the group's share option schemes:

GROUP AND COMPANY

Number of options ('000)	Opening balance	Granted	Vested	Expired/ Forfeited[%]	Total	To be Granted*
2023						
Executive directors						
JR van Niekerk	1 744	–	–	(201)	1 543	918
R Nana	1 013	–	–	–	1 013	662
Total executive directors	2 757	–	–	(201)	2 555	1 580
Prescribed officers						
MW Clampett	343	–	–	–	343	211
D Theron	302	–	–	–	302	135
L Tsolo	20	–	–	–	20	69
D Oosthuizen	131	–	–	–	131	401
PL de Villiers	371	–	–	–	371	205
Total prescribed officers	1 168	–	–	–	1 168	1 019
Total	3 924	–	–	(201)	3 723	2 600

Number of options ('000)	Opening balance	Granted	Vested	Forfeited	Expired	Total
2022						
Executive directors						
JR van Niekerk	1 314	1 000	(108)	(462)	–	1 744
R Nana	1 198	339	(72)	(452)	–	1 013
Total executive directors	2 512	1 339	(180)	(913)	–	2 757
Prescribed officers						
MW Clampett	182	200	(8)	(31)	–	343
D Theron	194	142	(7)	(26)	–	302
GE Pendleton (resigned 31 January 2022)	454	252	(15)	(690)	–	–
L Tsolo (appointed 5 January 2022)	–	20	–	–	–	20
D Oosthuizen (appointed 11 May 2022)^	131	–	–	–	–	131
PL de Villiers	521	153	(45)	(258)	–	371
Total prescribed officers	1 482	767	(75)	(1 006)	–	1 168
Total	3 994	2 105	(256)	(1 919)	–	3 924

% *No options were forfeited during the year*

* *Share options to be granted once the prohibited period in terms of the JSE Listing requirements are lifted.*

^ *D Oosthuizen was appointed as a prescribed officer effective 11 May 2022. Share options granted relate to those obtained prior to being appointed as a prescribed officer. In addition, D Oosthuizen was granted 200 000 share options on 11 May 2022 which he was unable to accept due to a prohibited period in terms of the JSE Listing requirements.*

Notes to the financial statements

14. DIRECTORS' AND PRESCRIBED OFFICERS' REMUNERATION

Executive directors' and prescribed officers' share options

In the current year, the Remco approved the grant to JR van Niekerk (918 356 LTIPs) and R Nana (662 121 LTIPs). The options may be exercised as to 60.0% on 14 October 2025, 20.0% on 14 October 2026 and 20.0% on 14 October 2027. Non-market financial performance conditions apply to 35.0%, with non-financial performance conditions applicable to 35.0% of the benefits and market financial performance conditions to 30% of the benefits. For vesting to occur R Nana and JR van Nierkerk have to remain in the employ of the group. The options were issued at a strike price of zero.

In the current year, Remco approved grants to MW Clampett (210 651 LTIPs), D Theron (134 590 LTIPs), D Oosthuizen (400 631 LTIPs), L Tsolo (68 500 LTIPs) and PL de Villiers (204 790 LTIPs). The options may be exercised as to 60.0% on 14 October 2025, 20.0% on 14 October 2026 and 20.0% on 14 October 2027. For vesting to occur, the MW Clampett, D Theron, L Tsolo, D Oosthuizen and PL de Villiers have to remain in the employ of the group.

In the prior year, the Remco approved grants to JR van Niekerk (500 000 Performance LTIPs and 500 000 retention LTIPs) with her appointment as CEO and R Nana (338 534 LTIPs). The options may be exercised as to 60.0% on 14 October 2024, 20.0% on 14 October 2025 and 20.0% on 14 October 2026. Non-market financial performance conditions apply to 40.0%, with non-financial performance conditions applicable to 30.0% of the benefits and market financial performance conditions to 30% of the benefit. For vesting to occur R Nana and JR van Nierkerk have to remain in the employ of the group. The options were issued a strike price of zero.

In the prior year, Remco approved the grant to MW Clampett (200 000 LTIPs), D Theron (142 000 LTIPs), GE Pendelton (252 000 LTIPs), L Tsolo (20 000 LTIPs) and PL de Villiers (153 000 LTIPs). The options may be exercised as to 60.0% on 14 October 2024, 20.0% on 14 October 2025 and 20.0% on 14 October 2026. For vesting to occur, the MW Clampett, D Theron, L Tsolo, D Oosthuizen and PL de Villiers have to remain in the employ of the group.

All other options forfeited in the current year are due to performance conditions not being fully met.

Each option converts into one ordinary share in Attacq upon exercise. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting. There is no option of cash settlement.

Options forfeited by G Pendleton in the prior year are due to a combination of performance conditions not being fully met and his resignation on 31 January 2022.

Notes to the financial statements

15. EARNINGS AND HEADLINE EARNINGS

At 30 June 2023 the group had 705 123 739 shares in issue after adjusting for treasury shares, refer to note 29.

The calculation of headline earnings has been performed in accordance with SAICA's Circular 1/2023-Headline earnings.

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the group is based on the following data:

	2023			2022		
Figures in R'000s	**Gross**	**Tax effect of the adjustments**	**Total**	**Gross**	**Tax effect of the adjustments**	**Total**
Profit for the year	520 286	–	520 286	1 179 560	–	1 179 560
Number of shares						
Weighted average number of ordinary shares for the purpose of earnings per share	705 123 739	–	705 123 739	705 123 739	–	705 123 739
Effect of dilutive potential ordinary shares : share options	13 004 569	–	13 004 569	9 303 374	–	9 303 374
Weighted average number of ordinary shares for the purpose of diluted earnings per share	718 128 308	–	718 128 308	714 427 113	–	714 427 113
Profit per share (cents)						
Basic	73.8	–	73.8	167.3	–	167.3
Diluted	72.5	–	72.5	165.1	–	165.1
Headline profit for the purpose of headline earnings per share						
Profit attributable to ordinary shareholders	520 286	–	520 286	1 179 560	–	1 179 560
Loss (Profit) on disposal of investment property	885	–	885	(14 369)	–	(14 369)
Net Impairment reversal of investments in associates	–	–	–	(6 448)	–	(6 448)
Fair value adjustments	4 277	–	4 277	(254 975)	–	(254 975)
Adjustments of measurements, included in the equity-accounted earnings of associates	49 405	–	49 405	23 735	–	23 735
Headline profit for the purpose of basic and diluted headline profit per share	574 853	–	574 853	927 503	–	927 503
Headline earnings per share (cents)						
Basic	81.5	–	81.5	131.5	–	131.5
Diluted	80.1	–	80.1	129.8	–	129.8

Notes to the financial statements

16. INVESTMENT PROPERTY

GROUP

Figures in R'000s	Leasehold land	Developments under construction	Completed developments	Total
2023				
Cost				
Balance at 1 July 2022	1 163 967	26 833	13 796 433	14 987 232
Additions	4 458	58 297	128 143	190 898
Capital expenditure	4 458	55 824	113 739	174 021
Borrowing cost capitalised	–	2 473	–	2 473
Additions to right-of-use assets (note 22)	–	–	14 404	14 404
Transfers to Inventory	(16 101)	–	(35 810)	(51 910)
Transfer from provision for committed infrastructure	(15 059)	–	–	(15 059)
Transfer between components	(33 478)	(60 010)	93 488	–
Write off of infrastructure costs	(609)	–	–	(609)
Disposals	(50 813)	–	–	(50 813)
Balance at 30 June 2023	1 052 365	25 120	13 982 254	15 059 739
Fair value adjustment				
Balance at 1 July 2022	(258 439)	4 586	2 851 939	2 598 087
Gain/(loss) fair value adjustment	46 079	779	(51 135)	(4 277)
Disposals	(980)	–	–	(980)
Transfer between components	(12 679)	12 679	–	–
Balance at 30 June 2023	(226 019)	18 044	2 800 804	2 592 830
Carrying amount at 30 June 2022	905 528	31 419	16 648 372	17 585 319
Carrying amount at 30 June 2023	826 347	43 164	16 783 058	17 652 569

Notes to the financial statements

16. INVESTMENT PROPERTY

	GROUP			
Figures in R'000s	Leasehold land	Developments under construction	Completed developments	Total
2022				
Cost				
Balance at 1 July 2021	1 284 044	125 775	13 204 420	14 614 239
Additions	48 103	340 649	133 394	522 146
Capital expenditure	48 103	339 867	101 632	489 602
Borrowing cost capitalised	–	782	–	782
Additions to right-of-use assets (note 22)	–	–	31 762	31 762
Transfer from provision for committed infrastructure	–	–	–	–
Transfer between components	(72 313)	(410 006)	482 319	–
Write off of infrastructure costs	(8 184)	–	–	(8 184)
Disposals	(87 683)	(29 585)	–	(117 269)
Transfer to non-current assets held for sale	–	–	(23 700)	(23 700)
Balance at 30 June 2022	1 163 967	26 833	13 796 433	14 987 232
Fair value adjustment				
Balance at 1 July 2021	(65 809)	38 020	2 405 347	2 377 558
(Loss)/gain fair value adjustment	(138 775)	(30 655)	416 909	247 479
Disposals	(26 945)	(5)	–	(26 950)
Transfer between components	(26 910)	(2 773)	29 683	–
Balance at 30 June 2022	(258 439)	4 586	2 851 939	2 598 087
Carrying amount at 30 June 2021	1 218 235	163 795	15 609 767	16 991 797
Carrying amount at 30 June 2022	905 528	31 419	16 648 372	17 585 319

The investment property is encumbered as per note 20.

The capitalisation rate used for general borrowing costs capitalised to investment property ranges between 6.9% and 10.4% (2022: 5.2% and 5.3%).

The group's right-of-use assets relating to the WDC lease, has been classified as investment property under completed developments which is externally fair valued together with the completed properties. The fair value of the completed property takes into account the future lease payments to be made to WDC.

Notes to the financial statements

16. INVESTMENT PROPERTY

A register of investment properties, together with the title deeds relating to the owned investment properties are available for inspection at the registered office of the company:

Nexus 1, Ground Floor
44 Magwa Crescent
Waterfall City

	GROUP	
Figures in R'000s	**2023**	**2022**
Leasehold land (AWIC)		
Gross valuation	**1 180 120**	1 284 305
Independent gross valuers' valuation	**1 180 120**	1 284 305
Adjusted for - against fair value		
Cost to complete	**(80 653)**	(77 527)
Adjustment relating to the future rental obligation	**(273 120)**	(301 250)
Independent valuers' valuation - adjusted	**826 347**	905 528
The carrying amount of leasehold land is reconciled as follows:		
Balance at the beginning of the year	**905 528**	1 218 235
Additions	**4 458**	48 103
Net gain/(loss) from fair value adjustment	**46 079**	(138 775)
Transfer to developments under construction	**(46 156)**	(99 224)
Transfer from provision for committed infrastructure	**(15 059)**	–
Disposals	**(51 793)**	(114 628)
Transfers to Inventory	**(16 101)**	–
Write off of infrastructure costs	**(609)**	(8 184)
Balance at the end of the year	**826 347**	905 528

16. INVESTMENT PROPERTY

In 2009, AWIC entered into a purchase of leasehold land and lease agreements with WDC in terms of which it obtained the right to develop certain land parcels and to call for the registration of long-term lease agreements against the title deeds of the land parcels (it is anticipated that all the lease agreements will be registered within the timeframe allowed in the agreement).

The group has determined the valuation with reference to the comparable sales technique, which is in line with international best practice. The output of the comparable sales valuation technique determines the valuation of the leasehold land, being the aggregate of development rights, infrastructure and services, less future cost of servicing and leasehold liabilities.

The leasehold obligations are contingent on future net rentals as well as future disposals, and are calculated in line with the contractual terms of the leasehold development rights agreements as discussed in note 2.

The following unobservable inputs were used in the current year by the independent valuer in estimating the fair value of the leasehold land:

- serviced land prices between R1 100 and R3 200 (2022: R1 100 and R3 200) per bulk/land area square metre;
- unserviced farmland prices between R225 and R263 (2022: R225 and R263) per land area square metre;
- estimated capital outlays and professional fees as per independent quantity surveyor;
- discount rates for present value calculations between 12.60% and 13.50% (2022: 12.27% and 14.50%);
- rental escalation rates for future rental obligation assessment between 3.20% and 7.00% (2022: 3.96% and 5.00%);
- cap rates for future rental obligation assessment between 7.53% and 9.00% (2022: 7.50% and 9.00%);
- estimated construction times of developments between 18 and 48 months (2022: 18 and 48 months).

Notes to the financial statements

16. INVESTMENT PROPERTY

The estimated impact of a change in the following significant unobservable inputs would result in a change in the independent valuers' valuation as follows:

Figures in R'000s	2023	2022
• An extension by one year of the estimated construction time	24 400	25 300
• An increase of 100 basis points in the discount rate:	8 500	9 000
– Gross valuation of leasehold land	n/a	n/a
– Present value of the future rental obligation	8 500	9 000
• A 10.0% increase in the serviced land prices	102 400	107 000
• A 10.0% increase in the estimated capital outlays	(8 000)	(7 400)

The effective date of the valuation on the leasehold land was 30 June 2023. The independent valuer was registered in terms of section 19 of the Property Valuers Professional Act, Act No 47 of 2000. The valuer was as follows:

Vallun Properties Proprietary Limited t/a Valquest Property Valuers & Consultants

- M Groenewald- Registered as a Professional Valuer with the S A Council for the Property Valuers Profession (Reg no 5047), MIVSA, MRICS

M Groenewald and Vallun Properties Proprietary Limited are not connected to the group.

The fair value of leasehold land is deemed to be Level 3 as defined by IFRS 13: Fair Value Measurements.

For both years presented, Waterfall comprise remaining undeveloped leasehold land obtained relating to:

- remainder of LP 8 of portion 1/RE on the Farm Waterfall No. 5;
- remainder of LP 9 of portion 1/RE on the Farm Waterfall No. 5;
- remainder of LP 10 of portion 1/RE on the Farm Waterfall No. 5;
- LP 10a of portion 1/RE on the Farm Waterfall No. 5;
- LP 12 of portion 1/RE on the Farm Waterfall No. 5; and
- remainder of LP 21 of Portion 1/RE of the Farm Waterfall No. 5.

16. INVESTMENT PROPERTY

	GROUP	
Figures in R'000s	2023^	2022
Developments under construction		
The carrying amount of developments under construction are reconciled as follows:		
Balance at the beginning of the year	31 419	163 795
Transfer of cost from leasehold land	33 478	72 313
Transfer of fair value from leasehold land	12 679	26 910
Additions	58 297	340 649
Net gain from fair value adjustment ^^	779	8 854
Disposals	–	(29 591)
Transfer to completed developments	(93 488)	(512 002)
Cost/Independent valuers' valuation **	43 164	70 928
Adjusted for - against fair value		
Cost to complete and stage of completion	–	(39 509)
Cost/Independent valuers' valuation - adjusted	43 164	31 419
Reconciled as follows:		
Cost	25 120	26 833
Fair value adjustments	18 044	4 586
Adjusted valuation	43 164	31 419

^ *Developments under construction at year end are carried at cost in the current year.*

** *Developments under construction, at year end, are carried at cost in the current year and independently valued in the prior year.*

^^ *Fair value adjustments recognised in the current year of R0.8 million relates to the Plumblink development which was completed in the current year, having been fair valued prior to its reclassification to completed developments.*

Notes to the financial statements

16. INVESTMENT PROPERTY

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

	GROUP	
Unobservable inputs (%)	**2023^**	**2022**
Range of unobservable inputs utilised:		
• Discount rate	n/a	13.00%
• Reversionary discount rate	n/a	13.00%
• Market capitalisation rate	n/a	8.00%
• Reversionary capitalisation rate	n/a	8.50%
• Expense growth	n/a	6.50%
• Market rental growth	n/a	5.00%
• Vacancy period	n/a	4 months
• Long term vacancy rate	n/a	1.00%
Weighted average* of unobservable inputs utilised:		
• Discount rate	n/a	13.00%
• Reversionary discount rate	n/a	13.00%
• Market capitalisation rate	n/a	8.00%
• Reversionary capitalisation rate	n/a	8.50%
• Expense growth	n/a	6.50%
• Market rental growth	n/a	5.00%
• Vacancy period	n/a	4 months
• Long term vacancy rate	n/a	1.00%

^ *Developments under construction at year end are carried at cost in the current year.*

* *Weighting based on underlying investment property fair values.*

16. INVESTMENT PROPERTY

The estimated impact of a change in the following significant unobservable inputs would result in a change in the independent valuers' valuation as follows:

	GROUP	
Figures in R'000s	**2023^**	**2022**
Significant unobservable inputs		
• A decrease of 50 basis points in the discount rate	n/a	2 694
• An increase of 50 basis points in the discount rate	n/a	(2 554)
• A decrease of 50 basis points in the reversionary capitalisation rate	n/a	1 871
• An increase of 50 basis points in the reversionary capitalisation rate	n/a	(1 654)
• An increase of 100 basis points in the market rental	n/a	3 981
• A decrease of 100 basis points in the market rental	n/a	(3 579)
Other unobservable inputs		
• A decrease of 1 month in vacancy	n/a	234
• An increase of 1 month in vacancy	n/a	(243)
• A decrease of 100 basis points in the long-term vacancy rate	n/a	311
• An increase of 100 basis points in the long-term vacancy rate	n/a	(301)
• A decrease of 100 basis points in the expense growth rate	n/a	65
• An increase of 100 basis points in the expense growth rate	n/a	(61)

^ *Developments under construction at year end are carried at cost in the current year.*

Notes to the financial statements

16. INVESTMENT PROPERTY

The independent valuers' valuation of the following developments under construction represent the group's shareholding as they are being developed through a joint operation and/or undivided share:

- Plumblink - 50%. The balance is held by Bidvest Properties (which was under construction in the prior year, and completed in the current year). The 50% disposal of Waterfall development rights occurred in the prior year.

Developments under construction are initially recognised at cost and subsequently remeasured to fair value. The fair value of development property is not always reliably determinable due to the properties being in the early stages of construction or where construction has not yet begun. Where fair value cannot be reliably determined, but the group expects that the fair value will be reliably determinable when construction is further progressed, the group measures such properties at cost.

In the current year, the investment property balance relating to developments under construction relates entirely to the Group's speculative development of midi warehouses on LP9. The development, as at 30 June 2023, was at too early a stage of construction to be able to reliably determine the fair value of the development. As a result the development has been carried at cost as at 30 June 2023.

The value of developments under construction is determined with reference to the cost incurred to date plus a portion of the present value of the final anticipated fair value gain upon completion of the building. The final anticipated fair value gain upon completion of the buildings is the difference between the total costs of development and the fair value of the building at completion based on the independent valuer's valuation.

The portion of the present value of the anticipated fair value gain is determined with reference to the stage of completion of the building. The stage of completion of the building is determined with reference to the cost to date of the top structure and the total anticipated costs excluding the leasehold land.

Developments under construction are transferred to "Completed developments" on the date of practical completion as certified by the principal agent on the development.

Developments under construction were fair valued as at 30 June 2022 using the discounted cash flow of future income streams method by the independent valuer.

The independent valuer was registered in terms of section 19 of the Property Valuers Professional Act, Act No 47 of 2000. The valuer was as follows:

Sterling Valuation Specialists Close Corporation (prior year)

- AS Smith - BSc Honours (Property Studies) Registered Professional Associated Valuer No. 6937, MIVSA

ABC Valuation Specialists Close Corporation

- John Doe - BSc Honours (Property Studies) Registered Professional Associated Valuer No. 1234, MIVSA

16. INVESTMENT PROPERTY

	GROUP	
Figures in R'000s	**2023**	**2022**
Completed developments		
The carrying amount of completed developments are reconciled as follows:		
Balance at the beginning of the year	**16 648 372**	15 609 767
Transfer from developments under construction	**93 488**	512 002
Transfer to Inventory	**(35 810)**	–
Additions	**113 739**	101 632
Net gain (loss) from fair value adjustment **	**111 925**	655 880
Straight-line lease income adjustment against fair value **	**760**	(64 624)
Independent valuers' valuation after straight-lining	**16 932 475**	16 814 657
Adjusted for		
Transfer to non-current assets held for sale	**–**	(23 700)
Cost to complete and stage of completion **	**(137 029)**	(150 609)
Additions of right-of-use asset (note 22)	**14 404**	31 762
Net loss from fair value adjustment of right-of-use asset (note 22) **	**(26 791)**	(23 738)
Independent valuers' valuation after straight-lining - adjusted	**16 783 058**	16 648 372

** *Gain/(loss) fair value adjustments on completed developments, as disclosed on page 55, is an aggregation of (1) net gain / (loss) from fair value adjustment; (2) straight-line lease income adjustment against fair value; (3) adjustments relating to cost to complete and stage of completion; and (4) net loss from fair value adjustment of right-of-use asset (note 22).*

Reconciled as follows:		
Cost	**13 982 254**	13 796 433
Fair value adjustments	**2 800 804**	2 851 939
Adjusted valuation	**16 783 058**	16 648 372
The independent valuation for all completed developments is as follows:		
Independent valuers' valuation after straight-lining	**16 932 475**	16 814 657
Straight-line lease debtor	**1 080 359**	1 079 595
Independent valuers' valuation	**18 012 834**	17 894 252

Notes to the financial statements

16. INVESTMENT PROPERTY

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

	GROUP	
Unobservable inputs (%)	**2023**	**2022**
Range of unobservable inputs utilised:		
• Discount rate	**11.50% - 14.25%**	11.50% - 13.55%
• Reversionary discount rate	**11.50% - 13.50%**	11.50% - 13.55%
• Market capitalisation rate	**6.75% - 9.00%**	6.75% - 8.98%
• Reversionary capitalisation rate	**6.75% - 9.75%**	6.75% - 9.75%
• Market rental growth	**3.00% - 7.25%**	3.70% - 5.00%
• Expense growth	**5.00% - 6.50%**	5.00% - 7.00%
• Vacancy period	**1 - 8 months**	1 - 8 months
• Long term vacancy rate	**0.50% - 10.00%**	0.00% - 5.00%
Weighted average * of unobservable inputs utilised:		
• Discount rate	**12.43%**	12.49%
• Reversionary discount rate	**12.40%**	12.49%
• Market capitalisation rate	**7.63%**	7.66%
• Reversionary capitalisation rate	**8.04%**	8.13%
• Market rental growth	**5.70%**	4.44%
• Expense growth	**6.12%**	6.17%
• Vacancy period	**2.6 months**	2.9 months
• Long term vacancy rate	**1.97%**	1.98%

* *Weighting based on underlying investment property fair values.*

16. INVESTMENT PROPERTY

The estimated impact of a change in the following unobservable inputs would result in a change in the independent valuers' valuation as follows:

	GROUP	
Figures in R'000s	**2023**	**2022**
Significant unobservable inputs		
• A decrease of 50 basis points in the discount rate	**426 486**	483 665
• An increase of 50 basis points in the discount rate	**(415 382)**	(494 100)
• A decrease of 50 basis points in the reversionary capitalisation rate	**599 456**	603 279
• An increase of 50 basis points in the reversionary capitalisation rate	**(533 569)**	(557 839)
• An increase of 100 basis points in the market rental	**813 423**	964 345
• A decrease of 100 basis points in the market rental	**(768 226)**	(937 098)
Other unobservable inputs		
• A decrease of 1 month in vacancy	**92 687**	58 917
• An increase of 1 month in vacancy	**(125 561)**	(130 427)
• A decrease of 100 basis points in the long-term vacancy rate	**35 107**	52 328
• An increase of 100 basis points in the long-term vacancy rate	**(87 597)**	(87 597)
• A decrease of 100 basis points in the expense growth rate	**182 473**	71 289
• An increase of 100 basis points in the expense growth rate	**(114 367)**	(114 367)

Notes to the financial statements

16. INVESTMENT PROPERTY

The independent valuers' valuation of the following completed developments represent the group's shareholding as they are being held through a joint venture and/or undivided share:

- Maxwell Office Park - 50.0%. The balance is held by The Moolman Group;
- Mall of Africa - 80.0%. The balance is held by ATT MOA 20 (a group entity of APH);
- PwC Tower - 75.0%. The balance is held by PwC Waterfall Property Partnership;
- Corporate Campus Phase 1 - 50.0%. The balance is held by Zenprop;
- Corporate Campus Phase 2 - 50.0%. The balance is held by Zenprop;
- Corporate Campus Phase 3 - 50.0%. The balance is held by Zenprop:
- Corporate Campus Phase 4 - 50.0%. The balance is held by Zenprop;
- Corporate Campus Phase 5 - 50.0%. The balance is held by Zenprop;
- Corporate Campus Phase 6 - 50.0%. The balance is held by Zenprop (which has been completed in the prior year);
- Corporate Campus Phase 7 - 50.0%. The balance is held by Zenprop (which has been completed in the prior year);
- Cummins DC - 50.0%. The balance is held by Zenprop;
- Zimmer Biomet - 50.0%. The balance is held by Sanlam Life;
- Cotton On - 50.0%. The balance is held by Equites (which has been completed in the prior year);
- Amrod - 50.0%. The balance is held by Equites;
- Massbuild Distribution Centre - 50.0%. The balance is held by Equites;
- Vantage - 50.0%. The balance is held by VDC JNB11 Propco Proprietary Limited, part of the Vantage Data Centres group, (which has been completed in the prior year). The 50% disposal of Waterfall
- Plumblink - 50.0%. The balance is held by Bidvest Properties (which has been completed in the current year);
- Eikestad Mall - 80.0%. The balance is held by Key Capital; and
- Brooklyn Mall - 25.0%. The balance is held by Growthpoint.

Completed developments were valued as at 30 June 2023 and 30 June 2022 using discounted cash flow of the future income streams method by independent valuers, with the exception of the following:

- Brooklyn Mall was valued by the directors using external discounted cash flow of the future income streams in the current and prior year;

16. INVESTMENT PROPERTY

Completed developments include right-of-use assets of R238.6million (2022: R250.9 million). Refer to note 22 for details of the right-of-use assets.

Future cash flows used in determining the discounted cash flows are determined with reference to the signed leases between the group and tenants. Discount, capitalisation and vacancy rates used in the estimate are determined by independent experts.

All independent valuers were registered in terms of section 19 of the Property Valuers Professional Act, Act No 47 of 2000. For both years, the valuers were as follows:

Mills Fitchet Cape (Proprietary) Limited

- SA Wolffs - Professional Associated Valuer No 2604, Nat Dip Prop Val - MIV SAIV - SACPVP

Sterling Valuation Specialists Close Corporation

- M Smit - Nat Dip (Property Valuation) Registered Professional Valuer No. 3420, MIVSA
- B Eastman - Nat Dip (Property Valuation) Registered Professional Associated Valuer No. 4582, MIVSA
- AS Smith - BSc Honours (Property Studies) Registered Professional Associated Valuer No. 6937, MIVSA
- C Shepherd - MRICS, BSc Honours (Property Studies) Registered Professional Valuer No. 6694, MIVSA

Broll Valuation & Advisory Services

- J Karg - Registered Professional Associated Valuer No. 5515/2, MRICS

CBRE Excellerate Proprietary Limited

- E Ndlovu - Candidate Valuer
- RC Fourie - FRICS - RSA Professional valuer
- C Geldenhuys - Btech, MRICS, Registered Professional Associated Valuer No 5041/6, MIVSA

CBRE Limited

- K Engley - BSc(Hons) MRICS, Head of EMEA Data Centre Valuations (CBRE UK)

Notes to the financial statements

16. INVESTMENT PROPERTY

	GROUP	
Figures in R'000s	**2023**	**2022**
Completed developments: Retail-experience hubs		
The carrying amount of completed developments are reconciled as follows:		
Balance at the beginning of the year	**8 725 723**	8 387 720
Additions	**67 660**	62 831
Net gain (loss) from fair value adjustment	**366 632**	301 989
Straight-line lease income adjustment against fair value	**(24 604)**	(8 266)
Independent valuers' valuation after straight-lining	**9 135 411**	8 744 274
Adjusted for		
Transfer to non-current assets held for sale	**–**	(23 700)
Cost to complete and stage of completion	**(1 261)**	(12 856)
Additions of right-of-use asset (note 22)	**12 208**	28 303
Net loss from fair value adjustment of right-of-use asset (note 22)	**(12 181)**	(10 298)
Independent valuers' valuation after straight-lining - adjusted	**9 134 177**	8 725 723
Reconciled as follows:		
Cost	**6 543 921**	6 464 052
Fair value adjustments	**2 590 256**	2 261 671
Adjusted valuation	**9 134 177**	8 725 723
The independent valuation for retail-experience hubs properties is as follows:		
Independent valuers' valuation after straight-lining	**9 135 411**	8 744 274
Straight-line lease debtor	**207 867**	232 472
Independent valuers' valuation	**9 343 278**	8 976 746

16. INVESTMENT PROPERTY

The following unobservable inputs were used by the independent valuers in estimating the fair value of the retail-experience hubs investment property:

		GROUP	
Unobservable inputs (%)	**Note**	**2023**	**2022**
Range of unobservable inputs utilised:			
• Discount rate	1	**11.50% - 14.25%**	11.50% - 13.25%
• Reversionary discount rate	1	**11.50% - 13.04%**	11.50% - 13.25%
• Market capitalisation rate	2	**6.75% - 9.00%**	6.75% - 8.25%
• Reversionary capitalisation rate	3	**6.75% - 9.50%**	6.75% - 9.25%
• Market rental growth		**4.50% - 6.60%**	3.70% - 5.00%
• Expense growth		**5.00% - 6.50%**	6.00% - 7.00%
• Vacancy period		**1 - 4 months**	1 - 4 months
• Long term vacancy rate		**0.50% - 5.00%**	0.50% - 5.00%
Weighted average* of unobservable inputs utilised:			
• Discount rate		**11.97%**	12.08%
• Reversionary discount rate		**11.91%**	12.09%
• Market capitalisation rate		**7.23%**	7.27%
• Reversionary capitalisation rate		**7.58%**	7.65%
• Market rental growth		**4.86%**	4.62%
• Expense growth		**6.19%**	6.17%
• Vacancy period		**2.17 months**	2.08 months
• Long term vacancy rate		**1.63%**	1.51%

* *Weighting based on underlying investment property fair values.*

The retail-experience hubs segment consists of 9 buildings (2022: 9 buildings).

[1] *The discount rate and reversionary discount rate for Mall of Africa is 11.50% (2022: 11.50%). The remainder of retail-experience hubs ranges between 12.25% - 14.25% (2022: 12.25% - 13.25%).*

[2] *The capitalisation rate for Mall of Africa is 6.75% (2022: 6.75%). The remainder of retail-experience hubs buildings ranges between 7.75% - 9.00% (2022: 7.50% - 8.25%).*

[3] *The reversionary capitalisation rate for Mall of Africa is 6.75% (2022: 6.75%). The remainder of retail-experience hubs buildings ranges between 8.25% - 9.50% (2022: 8.25% - 9.25%).*

Notes to the financial statements

16. INVESTMENT PROPERTY

Retail-experience hubs were valued as at 30 June 2023 using discounted cash flow of the future income streams method by independent valuers, with the exception of Brooklyn Mall, that was valued using external discounted cash flow of the future income streams method by independent valuers and adjusted by the directors, to reflect a more conservative view of the valuation of the property.

	GROUP	
Figures in R'000s	2023	2022
Significant unobservable inputs		
• A decrease of 50 basis points in the discount rate	190 926	212 298
• An increase of 50 basis points in the discount rate	(189 996)	(211 427)
• A decrease of 50 basis points in the reversionary capitalisation rate	396 101	385 474
• An increase of 50 basis points in the reversionary capitalisation rate	(352 491)	(342 075)
• A decrease of 100 basis points in the market rental	363 429	436 221
• An increase of 100 basis points in the market rental	(349 742)	(419 474)
Other unobservable inputs		
• A decrease of 1 month in vacancy	52 336	19 870
• An increase of 1 month in vacancy	(79 366)	(57 950)
• A decrease of 100 basis points in the long-term vacancy rate	12 538	32 301
• An increase of 100 basis points in the long-term vacancy rate	(31 862)	(42 074)
• A decrease of 100 basis points in the expense growth rate	83 414	18 183
• An increase of 100 basis points in the expense growth rate	(95 857)	(28 818)

16. INVESTMENT PROPERTY

	GROUP	
Figures in R'000s	2023	2022
Completed developments: Collaboration hubs		
The carrying amount of completed developments are reconciled as follows:		
Balance at the beginning of the year	5 823 632	5 539 995
Transfer from developments under construction	3 534	198 342
Transfer to Inventory	(35 810)	–
Additions	29 816	31 994
Net gain / (loss) from fair value adjustment	(273 732)	100 066
Straight-line lease income adjustment against fair value	(26 961)	39 780
Independent valuers' valuation after straight-lining	5 520 479	5 910 177
Adjusted for		
Cost to complete and stage of completion	(41 425)	(53 560)
Additions of right-of-use asset (note 22)	(1 029)	(22 799)
Net loss from fair value adjustment of right-of-use asset (note 22)	(11 814)	(10 186)
Transfer to non-current assets held for sale	–	–
Independent valuers' valuation after straight-lining - adjusted	5 466 211	5 823 632
Reconciled as follows:		
Cost	5 397 868	5 401 357
Fair value adjustments	68 343	422 275
Adjusted valuation	5 466 211	5 823 632
The independent valuation for collaboration hubs are as follows:		
Independent valuers' valuation after straight-lining	5 520 479	5 910 177
Straight-line lease debtor	650 539	677 497
Independent valuers' valuation	6 171 018	6 587 674

Notes to the financial statements

16. INVESTMENT PROPERTY

The following unobservable inputs were used by the independent valuers in estimating the fair value of the collaboration hubs investment property:

		GROUP	
Unobservable inputs (%)	**Note**	**2023**	**2022**
Range of unobservable inputs utilised:			
• Discount rate		**12.50% - 13.50%**	12.50% - 13.55%
• Reversionary discount rate		**12.50% - 13.50%**	12.50% - 13.55%
• Market capitalisation rate		**7.50% - 9.00%**	7.50% - 8.98%
• Reversionary capitalisation rate		**7.75% - 9.75%**	7.75% - 8.98%
• Market rental growth		**6.00% - 7.25%**	4.50% - 4.60%
• Expense growth		**6.00% - 6.50%**	6.00% - 7.00%
• Vacancy period	1	**1 - 6.7 months**	2 - 6.5 months
• Long term vacancy rate	2	**1.00% - 10.00%**	1.00% - 5.00%
Weighted average * of unobservable inputs utilised:			
• Discount rate		**12.94%**	12.90%
• Reversionary discount rate		**12.94%**	12.90%
• Market capitalisation rate		**8.10%**	8.05%
• Reversionary capitalisation rate		**8.59%**	8.64%
• Market rental growth		**6.90%**	4.02%
• Expense growth		**6.05%**	6.18%
• Vacancy period		**3.15 months**	3.78 months
• Long term vacancy rate		**2.96%**	3.03%

* *Weighting based on underlying investment property fair values.*

The collaboration hubs segment consists of 30 buildings (2022: 30 buildings).

1 *The vacancy period for Brooklyn Bridge Office Park is 6.7 months (2022: 6.5 months). The remainder of collaboration hubs ranges between 2 - 6 months (2022: 2 - 6 months).*

2 *The long term vacancy rate for Brooklyn Bridge is 10.00% (2022: 5.00%). The remainder of collaboration hubs ranges between 1.00% - 5.00% (2022: 1.00% - 5.00%).*

During the prior year, the Waterfall Corporate Campus Phase 5, comprising buildings 6 and 7, as well as Nexus building 1 were completed.
Collaboration hubs were valued as at 30 June 2023 using discounted cash flow of the future income streams method by independent valuers.

16. INVESTMENT PROPERTY

The estimated impact of a change in the following significant unobservable inputs for collaboration hubs would result in a change in the independent valuers' valuation as follows:

	GROUP	
Figures in R'000s	**2023**	**2022**
Significant unobservable inputs		
• A decrease of 50 basis points in the discount rate	**177 466**	202 418
• An increase of 50 basis points in the discount rate	**(170 439)**	(216 678)
• A decrease of 50 basis points in the reversionary capitalisation rate	**149 082**	164 352
• An increase of 50 basis points in the reversionary capitalisation rate	**(132 853)**	(168 174)
• A decrease of 100 basis points in the market rental	**360 001**	437 884
• An increase of 100 basis points in the market rental	**(335 319)**	(428 257)
Other unobservable inputs		
• A decrease of 1 month in vacancy	**33 681**	25 364
• An increase of 1 month in vacancy	**(36 863)**	(54 156)
• A decrease of 100 basis points in the long-term vacancy rate	**16 793**	11 449
• An increase of 100 basis points in the long-term vacancy rate	**(16 632)**	(34 769)
• A decrease of 100 basis points in the expense growth rate	**96 545**	43 795
• An increase of 100 basis points in the expense growth rate	**(104 650)**	(75 418)

Notes to the financial statements

16. INVESTMENT PROPERTY

	GROUP	
Figures in R'000s	**2023**	**2022**
Completed developments: Logistics hubs		
The carrying amount of completed developments are reconciled as follows:		
Balance at the beginning of the year	**1 526 732**	1 152 861
Transfer from developments under construction	**76 448**	313 660
Additions	**15 496**	6 349
Net gain (loss) from fair value adjustment	**77 305**	99 124
Straight-line lease income adjustment against fair value	**40 118**	15 785
Independent valuers' valuation after straight-lining	**1 736 099**	1 587 778
Adjusted for		
Cost to complete and stage of completion	**(94 343)**	(84 193)
Additions of right-of-use asset (note 22)	**3 227**	26 044
Net loss from fair value adjustment of right-of-use asset (note 22)	**(2 348)**	(2 897)
Transfer to non-current assets held for sale	**–**	–
Independent valuers' valuation after straight-lining - adjusted	**1 642 635**	1 526 732
Reconciled as follows:		
Cost	**1 445 083**	1 349 912
Fair value adjustments	**197 552**	176 820
Adjusted valuation	**1 642 635**	1 526 732
The independent valuation for logistics hubs is as follows:		
Independent valuers' valuation after straight-lining	**1 736 099**	1 587 778
Straight-line lease debtor	**175 537**	135 417
Independent valuers' valuation	**1 911 636**	1 723 195

16. INVESTMENT PROPERTY

The following unobservable inputs were used by the independent valuers in estimating the fair value of the logistics hubs:

		GROUP	
Unobservable inputs (%)	**Note**	**2023**	**2022**
Range of unobservable inputs utilised:			
• Discount rate		**13.00%**	13.00% - 13.50%
• Reversionary discount rate		**13.00%**	13.00% - 13.50%
• Market capitalisation rate		**8.00%**	8.00% - 8.25%
• Reversionary capitalisation rate		**8.25% - 8.75%**	8.25% - 8.75%
• Market rental growth		**3.00% - 7.00%**	5.00%
• Expense growth		**6.00% - 6.50%**	5.00% - 7.00%
• Vacancy period	1	**3 - 8 months**	2 - 8 months
• Long term vacancy rate		**0.50% - 1.00%**	0.00% - 1.00%
Weighted average * of unobservable inputs utilised:			
• Discount rate		**13.00%**	13.04%
• Reversionary discount rate		**13.00%**	13.04%
• Market capitalisation rate		**8.00%**	8.16%
• Reversionary capitalisation rate		**8.41%**	8.48%
• Market rental growth		**5.73%**	5.00%
• Expense growth		**6.14%**	6.13%
• Vacancy period		**3.14 months**	3.70 months
• Long term vacancy rate		**0.64%**	0.71%

* Weighting based on underlying investment property fair values.

The logistics hubs segment consists of 14 buildings (2022: 13 buildings).

[1] *The vacancy period for Cummins SA Regional Distribution Centre is 8 months (2022: 8 months). The remainder of logistics hubs ranges between 3 - 4 months (2022: 2 - 8 months).*

During the current year, Plumblink was completed, in the prior year Cotton On and Vantage were completed.
Logistic hubs were valued as at 30 June 2023 using discounted cash flow of the future income streams method by independent valuers.

Notes to the financial statements

16. INVESTMENT PROPERTY

The estimated impact of a change in the following unobservable inputs for logistics hubs would result in a change in the independent valuers' valuation as follows:

	GROUP	
Figures in R'000s	**2023**	**2022**
Significant unobservable inputs		
• A decrease of 50 basis points in the discount rate	**40 114**	49 580
• An increase of 50 basis points in the discount rate	**(37 777)**	(47 566)
• A decrease of 50 basis points in the reversionary capitalisation rate	**43 144**	41 470
• An increase of 50 basis points in the reversionary capitalisation rate	**(38 299)**	(36 941)
• A decrease of 100 basis points in the market rental	**66 954**	62 625
• An increase of 100 basis points in the market rental	**(62 028)**	(64 378)
Other unobservable inputs		
• A decrease of 1 month in vacancy	**5 328**	12 240
• An increase of 1 month in vacancy	**(7 563)**	(14 926)
• A decrease of 100 basis points in the long-term vacancy rate	**4 860**	6 477
• An increase of 100 basis points in the long-term vacancy rate	**(9 711)**	(8 694)
• A decrease of 100 basis points in the expense growth rate	**1 291**	8 260
• A decrease of 100 basis points in the expense growth rate	**(1 391)**	(9 003)

16. INVESTMENT PROPERTY

	GROUP	
Figures in R'000s	**2023**	**2022**
Completed developments: Hotel		
The carrying amount of completed developments are reconciled as follows:		
Balance at the beginning of the year	**572 285**	529 191
Additions	**764**	415
Transfer from developments under construction	**13 507**	–
Net gain (loss) from fair value adjustment	**(58 280)**	30 068
Straight-line lease income adjustment against fair value	**12 207**	12 715
Independent valuers' valuation after straight-lining	**540 483**	572 389
Adjusted for		
Additions of right-of-use asset (note 22)	**–**	210
Net loss from fair value adjustment of right-of-use asset (note 22)	**(447)**	(314)
Independent valuers' valuation after straight-lining - adjusted	**540 036**	572 285
Reconciled as follows:		
Cost	**442 102**	427 831
Fair value adjustments	**97 934**	144 454
Adjusted valuation	**540 036**	572 285
The independent valuation for hotel properties are as follows:		
Independent valuers' valuation after straight-lining	**540 483**	572 389
Straight-line lease debtor	**46 416**	34 209
Independent valuers' valuation	**586 899**	606 598

Notes to the financial statements

16. INVESTMENT PROPERTY

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

		GROUP	
Unobservable inputs (%)	**Note**	**2023**	**2022**
Range of unobservable inputs utilised:			
• Discount rate		**13.00%**	12.50% - 13.00%
• Reversionary discount rate		**13.00%**	12.50% - 13.00%
• Market capitalisation rate		**8.00%**	8.00%
• Reversionary capitalisation rate		**8.75%**	8.75%
• Market rental growth		**6.50% - 7.25%**	4.5% - 4.73%
• Expense growth		**6.00%**	6.00% - 7.00%
• Vacancy period		**1 - 2 months**	1 - 2 months
• Long term vacancy rate		**1.00% - 1.50%**	1.00% - 1.50%
Weighted average* of unobservable inputs utilised:			
• Discount rate		**13.00%**	12.77%
• Reversionary discount rate		**13.00%**	12.77%
• Market capitalisation rate		**8.00%**	8.00%
• Reversionary capitalisation rate		**8.75%**	8.75%
• Market rental growth		**6.92%**	4.60%
• Expense growth		**6.00%**	6.23%
• Vacancy period		**1.82 months**	1.54 months
• Long term vacancy rate		**1.28%**	1.27%

* Weighting based on underlying investment property fair values.

The hotel segment consists of 3 buildings (2022: 3 buildings).
Hotel buildings were valued as at 30 June 2023 using discounted cash flow of the future income streams method by independent valuers. This is in line with the prior year.

16. INVESTMENT PROPERTY

The estimated impact of a change in the following unobservable inputs for hotel would result in a change in the independent valuers' valuation as follows:

	GROUP	
Figures in R'000s	**2023**	**2022**
Significant unobservable inputs		
• A decrease of 50 basis points in the discount rate	**17 980**	19 368
• An increase of 50 basis points in the discount rate	**(17 169)**	(18 428)
• A decrease of 50 basis points in the reversionary capitalisation rate	**11 129**	11 983
• An increase of 50 basis points in the reversionary capitalisation rate	**(9 926)**	(10 650)
• A decrease of 100 basis points in the market rental	**23 038**	27 614
• An increase of 100 basis points in the market rental	**(21 137)**	(24 989)
Other unobservable inputs		
• A decrease of 1 month in vacancy	**1 342**	1 442
• An increase of 1 month in vacancy	**(1 769)**	(3 395)
• A decrease of 100 basis points in the long-term vacancy rate	**915**	2 101
• An increase of 100 basis points in the long-term vacancy rate	**(1 062)**	(2 061)
• A decrease of 100 basis points in the expense growth rate	**1 222**	1 051
• A decrease of 100 basis points in the expense growth rate	**(1 340)**	(1 128)

The fair value of completed developments is deemed to be Level 3 as defined by IFRS 13: Fair Value Measurements.

Notes to the financial statements

17. INVESTMENT IN ASSOCIATES

Set out below is the associated companies of the group which were material in the current and prior year, which, in the opinion of the directors, are material to the group. The associated companies as set out below have ordinary shares, which are held directly by the group.

Name of associate	**AttAfrica**
Principal activity	Real estate investment company
Place of incorporation	Mauritius
Principal place of business	Mauritius

	GROUP		COMPANY	
	2023	2022	**2023**	2022
Proportion of ownership/voting rights held by the group	**50%**	50%	**–**	–

The group has a legal interest of 50% in AttAfrica and an economic interest of 26.88%. Historically, AttAfrica was capitalised by way of shareholder loans.

Summarised financial information in respect of AttAfrica is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with IFRS (adjusted by the group for equity accounting purposes).

	GROUP		COMPANY	
Figures in R'000s	**2023**	2022	**2023**	2022
AttAfrica				
Current assets	**185 478**	190 941	**–**	–
Non-current assets	**1 926 112**	1 916 451	**–**	–
Current liabilities	**233 278**	98 719	**–**	–
Non-current liabilities	**264 325**	649 294	**–**	–
Revenue	**202 047**	170 993	**–**	–
Loss for the year	**(206 180)**	(93 408)	**–**	–
Loss from continuing operations	**(206 180)**	(93 408)	**–**	–
Total comprehensive loss for the year	**(206 180)**	(93 408)	**–**	–

17. INVESTMENT IN ASSOCIATES

The reconciliation of the summarised financial information to the carrying amount of the interest in AttAfrica recognised in the consolidated AFS is as follows:

	GROUP		COMPANY	
Figures in R'000s	**2023**	2022	**2023**	2022
AttAfrica				
Balance at the beginning of the year	**257 861**	224 894	**–**	–
Additions*	**81 095**	20 456	**–**	–
Reversal of impairment of investment	**–**	6 449	**–**	–
Total	**(11 877)**	6 062	**–**	–
Share of retained loss	**(55 421)**	(25 108)	**–**	–
FCTR	**43 544**	31 170	**–**	–
Balance at the end of the year	**327 079**	257 861	**–**	–
Reconciled as follows:				
Cost	**477 059**	395 964	**–**	–
Impairment of investment	**(152 014)**	(152 014)	**–**	–
Share of retained loss	**(89 563)**	(34 142)	**–**	–
Foreign currency translation effect	**91 597**	48 053	**–**	–
Balance at the end of the year	**327 079**	257 861	**–**	–

* *Additional equity investment.*

Notes to the financial statements

17. INVESTMENT IN ASSOCIATES

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Carrying amount of the group's interest in associates				
AttAfrica	327 079	257 861	–	–
Aggregate amount of other associates that are not individually material:	2 410	37 916	2 409	37 915
Wingspan	405	35 956	404	35 955
Other associates	2 005	1 960	2 005	1 960
Balance at the end of the year	329 489	295 777	2 409	37 915
Net income (loss) from associates				
AttAfrica	(55 421)	(25 108)		
Aggregate amount of other associates that are not individually material:	(23 798)	1 373	–	–
Wingspan	(23 843)	3 784	–	–
Fountains Regional Mall	2	(3 161)	–	–
West African Asset Management	(22)	607	–	–
Other associates*	65	143	–	–
Total	(79 219)	(23 735)	–	–

* *Included in this amount, is the investment in JVCO 115 held in AWIC and co-owned with Sanlam . AWIC currently holds 23.6%. AWIC exercised the option to increase its shareholding in JVCO 115 to 50% on 27 June 2022. Refer to note 34.1 for more information.*

Refer to note 40 for the interest in direct associates.

The group equity accounts for its investments in associates.

The fair value of the company's investments in associates are determined with reference to the NAV of the underlying associates and joint ventures.

18. OTHER FINANCIAL ASSETS AND LIABILITIES

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Non-current assets	1 387 280	1 271 038	3 943	7 243
• Loans and receivables	385 799	330 486	3 943	7 243
• Investment In MAS	978 549	916 236	–	–
• Derivative financial instruments	22 932	24 316	–	–
Current assets	37 796	21 485	2 254	488
• Loans and receivables	12 738	13 592	2 254	488
• Derivative financial instruments	25 058	7 893	–	–
Other financial assets	1 425 076	1 292 523	6 197	7 731
Non-current liabilities	(1 491)	(1 087)	(28 222)	(39 334)
• Derivative financial instruments	(1 491)	(883)	–	–
• Guarantee liability	–	(204)	(28 222)	(39 334)
Current liabilities	(923)	(76 583)	–	–
• Derivative financial instruments	(923)	(76 583)	–	–
Other financial liabilities	(2 414)	(77 670)	(28 222)	(39 334)

Notes to the financial statements

18. OTHER FINANCIAL ASSETS AND LIABILITIES

The group recognised favourable fair value adjustments on derivative financial instruments measured at FVPL of R86.2 million (2022: favourable R392.5 million).

The values of derivative financial asset and liabilities are shown at fair value based on inputs other than quoted prices that are observable in the market for the assets and liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices) - Level 2. The fair value is determined as the net discounted cash flows to be paid/received from the swaps in place at 30 June 2023.

The listed investments consists of a 6.45% investment in MAS. Based on the share price of MAS as at 30 June 2023, the fair value movement is R62.3 million. This instrument is deemed to be Level 1 as defined by IFRS 13: Fair Value Measurements.

Interest rates applicable to the group are fixed at a rate that ranges from 7.11% to 9.09% (2022: 6.90% to 10.51%). These derivative financial instruments expire on dates ranging from July 2023 to June 2030 (2022: July 2022 to June 2030).

In the prior year the group, through AWIC, has issued a guarantee to Standard Bank supporting its joint development partner (Moolman Group), refer to note 34.2. In addition, the company has issued various guarantees to support borrowings by subsidiaries from financial institutions. The guarantee has been cancelled on 22 July 2022.

At initial recognition the guarantee is measured at the date of issue and amortised to the financial period end date. This amortised cost is compared to the ECL measured on a one year or lifetime basis, depending on the stage, and the higher of the two is recognised.

The risk of the guarantee on date of issue is determined by the cost of the guarantee where an arm's length price was paid. Where no payment was made, the cost is determined by the saving in interest rate that was achieved by the issuance of the guarantee where such a guarantee is supporting a lending transaction. In the absence of either of these, the risk of the guarantee is determined as the ECLs that will be measured on a one year or lifetime basis, which is the case in this situation.

Guarantees were valued based on the risk of the counterparty whose obligations have been guaranteed. This resulted in a surety liability being recognised for the group of Rnil (2022: R0.2 million) and R28.2 million (2022: R39.3 million) for the company.

Refer to note 21 for the information relating to risk management.

18. OTHER FINANCIAL ASSETS AND LIABILITIES

The fair value of derivative financial instruments are deemed to be Level 2 as defined by IFRS 13: Fair Value Measurements.

The fair value of derivative financial instruments is determined annually as the difference in the net present value of future cash flows on the derivative financial instrument at the floating and fixed rates. The difference is recognised as an asset or liability.

Future cash flows used in determining the discounted cash flows are determined with reference to forward interest rates, from observable yield curves at the end of the reporting period, and contract interest rates, discounted at rates that reflect the credit risk of various counterparties.

During the current year, there has been no movement relating to fair value hierarchy with respect to the other financial assets and liabilities listed above.

The amortised cost of Loans payable and Loans receivable approximate their fair value.

Notes to the financial statements

18. OTHER FINANCIAL ASSETS AND LIABILITIES

GROUP

Figures in R'000s	2023 Balance at the beginning of the year	2023 Fair value adjustment through profit or loss	2023 Interest cap premium paid	2023 Balance at the end of the year	2022 Balance at the beginning of the year	2022 Fair value adjustment through profit or loss	2022 Interest cap premium paid	2022 Unrealised foreign exchange gains	2022 Balance at the end of the year
Derivative financial instruments									
At FVPL									
Nedbank	(60 953)	76 559	–	15 606	(383 625)	322 672	–	–	(60 953)
PwC Partnership*	6 639	(6 694)	–	(55)	44 301	(37 662)	–	–	6 639
RMB	(10 775)	11 924	–	1 149	(58 762)	47 987	–	–	(10 775)
RMB International	–	3 038	4 349	7 711	–	–	–	–	–
Standard Bank	19 832	1 333	–	21 165	(57 747)	59 452	18 127	–	19 832
Total	(45 257)	86 160	4 349	45 576	(455 833)	392 449	18 127	–	(45 258)
Derivative financial assets				47 990					32 209
Current				25 058					7 893
Non-current				22 932					24 316
Derivative financial liabilities				(2 414)					(77 466)
Current				(923)					(76 583)
Non-current				(1 491)					(883)
Total				45 576					(45 258)

* *This swap is recognised on a back-to-back basis, based on the swap agreement with Nedbank.*

Notes to the financial statements

18. OTHER FINANCIAL ASSETS AND LIABILITIES

GROUP

			2023				2022			
Figures in R'000s	Fixed rate	Expiry date	Notional amount	Mark-to-market	Non-current	Current	Notional amount	Mark-to-market	Non-current	Current
Derivative financial instruments comprise of the following:										
Nedbank interest rate swaps										
• ARF	6.99%	Dec-22	–	–	–	–	600 000	(3 991)	–	(3 991)
• ARF	7.66%	Jul-23	500 000	369	–	369	–	–	–	–
• ARF	7.69%	Jul-23	200 000	135	–	135	–	–	–	–
• ARF	7.11%	Dec-24	143 000	2 950	850	2 100	143 000	895	895	–
• ARF	7.57%	Feb-25	125 000	1 833	712	1 121	125 000	(750)	–	(750)
• AWIC	7.66%	Jul-23	–	–	–	–	500 000	(8 747)	–	(8 747)
• AWIC	7.70%	Jul-23	–	–	–	–	250 000	(4 495)	–	(4 495)
• AWIC	7.69%	Jul-23	–	–	–	–	200 000	(3 559)	–	(3 559)
• AWIC	7.57%	Sep-23	17 897	32	–	32	22 338	(316)	–	(316)
• AWIC	7.25%	Feb-24	–	–	–	–	300 000	(2 429)	–	(2 429)
• AWIC	7.26%	Feb-24	75 000	647	–	647	75 000	(626)	–	(626)
• AWIC	7.95%	Dec-24	47 283	372	78	294	53 166	(569)	–	(569)
• AWIC	7.11%	Dec-24	214 500	4 425	1 275	3 151	214 500	1 343	1 343	–
• AWIC	8.33%	Apr-25	400 000	1 217	11	1 206	400 000	(7 077)	–	(7 077)
• AWIC	8.11%	Sep-25	55 155	358	95	263	62 823	(719)	–	(719)
• AWIC	7.76%	Sep-25	30 079	261	90	171	33 672	(371)	–	(371)
• AWIC	8.71%	Jun-30	1 101 461	2 109	2 109	–	1 113 634	(19 709)	–	(19 709)
• AWIC	9.09%	Jun-30	105 356	(1 674)	(964)	(710)	106 743	(4 055)	(883)	(3 172)
• AWIC	8.60%	Jun-30	126 674	(214)	–	(214)	132 072	(2 790)	–	(2 790)
• Lynnwood Bridge	7.70%	Jul-23	250 000	160	–	160	–	–	–	–
• Lynnwood Bridge	7.25%	Feb-24	300 000	2 625	–	2 625	–	–	–	–
• Lynnwood Bridge	6.90%	Dec-22	–	–	–	–	310 000	(1 925)	–	(1 925)
• Lynnwood Bridge	7.81%	Feb-23	–	–	–	–	72 015	(1 062)	–	(1 062)
Total				15 606	4 256	11 350		(60 953)	1 355	(62 308)

Notes to the financial statements

18. OTHER FINANCIAL ASSETS AND LIABILITIES

GROUP

Figures in R'000s	Fixed rate	Expiry date	2023 Notional amount	2023 Mark-to-market	2023 Non-current	2023 Current	2022 Notional amount	2022 Mark-to-market	2022 Non-current	2022 Current
Derivative financial instruments comprise of the following:										
PwC Partnership interest rate swaps*										
• AWIC	8.71%	Jun-30	275 365	(527)	(527)	–	278 408	4 927	–	4 927
• AWIC	9.09%	Jun-30	26 339	418	241	177	26 686	1 014	221	793
• AWIC	8.60%	Jun-30	31 668	54	–	54	33 018	698	–	698
Total				(55)	(286)	231		6 639	221	6 418
** This swap is recognised on a back-to-back basis based on the external swap agreement with Nedbank.*										
Standard Bank interest rate swaps										
• ARF	6.90%	Jul-22	–	–	–	–	170 000	(1 059)	–	(1 059)
• ARF	7.07%	Jul-22	–	–	–	–	250 000	(1 663)	–	(1 663)
• ARF	7.12%	Dec-24	77 000	1 573	462	1 111	77 000	443	443	–
• AWIC	8.80%	Jul-22	–	–	–	–	242 210	(778)	–	(778)
• Lynnwood Bridge	7.12%	Dec-24	115 500	2 358	692	1 666	115 500	665	665	–
Total				3 931	1 154	2 777		(2 392)	1 109	(3 501)

Derivative financial instruments comprise of the following:	Strike rate	Expiry date	2023 Notional amount	2023 Mark-to-market	2023 Non-current	2023 Current	2022 Notional amount	2022 Mark-to-market	2022 Non-current	2022 Current
Standard Bank interest rate cap										
• AWIC	7.75%	Jun-25	1 000 000	17 235	8 346	8 888	1 000 000	22 224	20 749	1 475

Derivative financial instruments comprise of the following:	Cap rate	Expiry date	2023 Notional amount	2023 Mark-to-market	2023 Non-current	2023 Current	2022 Notional amount	2022 Mark-to-market	2022 Non-current	2022 Current
RMB International										
• AIHI	3.50%	Feb-25	4 349	7 711	7 711	–	–	–	–	–

Notes to the financial statements

18. OTHER FINANCIAL ASSETS AND LIABILITIES

GROUP

			2023				2022			
Figures in R'000s	Fixed rate	Expiry date	Notional amount	Mark-to-market	Non-current	Current	Notional amount	Mark-to-market	Non-current	Current
Derivative financial instruments comprise of the following:										
RMB interest rate swaps										
• ARF	7.77%	Oct-22	–	–	–	–	125 000	(1 014)	–	(1 014)
• ARF	8.26%	Mar-23	–	–	–	–	100 000	(1 580)	–	(1 580)
• ARF	7.86%	Jul-24	150 000	1 149	260	889	150 000	(2 840)	–	(2 840)
• AWIC	10.51%	Sep-22	–	–	–	–	98 320	(708)	–	(708)
• AWIC	10.51%	Sep-22	–	–	–	–	124 628	(897)	–	(897)
• LBOP	8.28%	Mar-23	–	–	–	–	150 000	(2 392)	–	(2 392)
• Lynnaur	10.47%	Apr-23	–	–	–	–	131 131	(1 344)	–	(1 344)
				1 149	260	889		(10 775)	–	(10 775)

Notes to the financial statements

18. OTHER FINANCIAL ASSETS AND LIABILITIES

GROUP

Figures in R'000s	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate	2023 Loan amount	2023 ECL	2023 Total	2022 Loan amount	2022 ECL	2022 Total
Loans receivables										
Brand Group	Retail-experience hubs	Stage 3	None	None	8 381	(8 381)	–	8 381	(8 381)	–
Cummins	Logistics hubs	Stage 1	Mar-29	12.5%	5 943	(51)	5 892	6 285	(24)	6 261
Cell C	Collaboration hubs	Stage 1	Dec-24	6.0%	44 889	(7 948)	36 941	–	–	–
Cell C	Collaboration hubs	Stage 1	Dec-26	6.0%	30 522	(5 404)	25 118	–	–	–
Key Capital	Retail-experience hubs	Stage 1	Dec-22	SA Prime + 0.50%	–	–	–	2 596	(33)	2 563
Ghana	Head office Global	Stage 3	None	None	1 649	(1 649)	–	1 649	(1 649)	–
PwC Waterfall Property Partnership*	Collaboration hubs	Stage 1	Jun-30	1-month JIBAR linked	324 960	(571)	324 389	327 572	(559)	327 013
Power of Trading	Retail-experience hubs	Stage 1	Nov-22	SA Prime	–	–	–	512	–	512
ESD	Head office SA	Stage 1	Jul-24	None	3 943	–	3 943	3 943	–	3 943
NESA Capital	Head office SA	Stage 1	On demand	None	–	–	–	488	–	488
In Coatings	Head office SA	Stage 3	On demand	None	500	(500)	–	500	(500)	–
Ndzilo	Head office SA	Stage 3	On demand	None	550	(550)	–	550	(550)	–
Jesse Creations	Head office SA	Stage 1	Dec-23	None	300	–	300	300	–	300
Green Design	Head office SA	Stage 1	Dec-23	None	1 954	–	1 954	3 000	–	3 000
Twin Cities	Head office SA	Stage 3	On demand	None	150	(150)	–	150	(150)	–
Thatego	Head office SA	Stage 3	On demand	None	500	(500)	–	500	(500)	–
Total					424 241	(25 704)	398 537	356 426	(12 346)	344 080
Loans and receivables					424 241	(25 704)	398 537	356 425	(12 346)	344 079
Non-current					399 773	(13 974)	385 799	331 069	(583)	330 486
Current					24 468	(11 730)	12 738	25 356	(11 763)	13 593
Total					424 241	(25 704)	398 537	356 426	(12 346)	344 080

* *This loan earns interest on a back-to-back basis, based on the external funding from Nedbank at 1-month JIBAR and margins of 2.09%, 2.33% and 2.52% (refer to note 20).*

The ECL of R8.4 million (2022: R8.4 million) was recognised for the loan to Brand Group due to the arbitration process underway.

The ECL of R7.9 million (2022:Rnil) and R5.4 million (2022: Rnil) was recognised for the loan to Cell C due to the assessment of credit risk associated with the loan as evidenced by financial information available in the public domain, as well as the current adherence to contractual loan repayments. The amount owing from Cell C comprises 2 tranches. In the process of Cell C restructuring the debt, the following was agreed:

- Tranche 1 of R44.9m consists of the historical rental arrears as of 28 February 2022. This amount is repayable at the end of December 2024 and bears interest at 6% which is payable monthly.
- Tranche 2 consists of an agreed amount of 30% of the future rentals for the space that Cell C vacated early to be deferred. This amount at year end stood at R30.5m and is repayable at the end of December 2026 and bears interest at 6% which is payable monthly.

Cell C has been making the agreed rental and interest payments under these revised terms and this loan is performing and thus Stage 1.

The ECL of R1.6 million (2022: R1.6 million) was recognised for the loan to Ghana due to the uncertainty around the recoverability of the amount.

The ECL of R0.6 million (2022: R0.6 million) was recognised for the loan to PwC Waterfall Property Partnership based on a minimum LGD on the value plus risk factor associated with refinancing of the Nedbank loan, which was determined judgementally.

The other ECLs of R1.8 million (2022: R1.8 million) were recognised based on a discounted PD and LGD.

Notes to the financial statements

18. OTHER FINANCIAL ASSETS AND LIABILITIES

Figures in R'000s

COMPANY

Loans and receivable	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate	2023 Loan amount	2023 ECL	2023 Total	2022 Loan amount	2022 ECL	2022 Total
ESD	Head office SA	Stage 1	Jul-24	None	3 943	–	3 943	3 943	–	3 943
NESA Capital	Head office SA	Stage 1	On demand	None	–	–	–	488	–	488
In Coatings	Head office SA	Stage 3	On demand	None	500	(500)	–	500	(500)	–
Ndzilo	Head office SA	Stage 3	On demand	None	550	(550)	–	550	(550)	–
Twin Cities	Head office SA	Stage 3	On demand	None	150	(150)	–	150	(150)	–
Thatego	Head office SA	Stage 3	On demand	None	500	(500)	–	500	(500)	–
Jesse Creations	Head office SA	Stage 1	Dec-23	None	300	–	300	300	–	300
Green Design	Head office SA	Stage 1	Dec-23	None	1 954	–	1 954	3 000	–	3 000
Total					7 897	(1 700)	6 197	9 431	(1 700)	7 731
Loans and receivables					7 897	(1 700)	6 197	9 431	(1 700)	7 731
Non-current					3 943	–	3 943	7 243	–	7 243
Current					3 954	(1 700)	2 254	2 188	(1 700)	488
Total					7 897	(1 700)	6 197	9 431	(1 700)	7 731

The fair value of loans receivable and loans payable are deemed to be Level 3 as defined by IFRS 13: Fair Value Measurements.

The carrying amounts of the balances are deemed by the directors to approximate their fair values. The fair value of balances are determined with reference to the carrying value and the NAV of the underlying investments.

Notes to the financial statements

19. LOANS TO (FROM) ASSOCIATES

Figures in R'000s

GROUP

Loans to (from) associates	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate	2023 Loan amount	2023 ECL	2023 Total	2022 Loan amount	2022 ECL	2022 Total
AttAfrica	Other	n/a	On demand	6.50%	(4 707)	–	(4 707)	(4 082)	–	(4 082)
Gruppo*	Head office SA	Stage 3	Mar-25	8.08%	490 726	(264 193)	226 533	–	–	–
Kompasbaai	Head office SA	Stage 3	On demand	None	1 996	(1 996)	–	3 662	(3 662)	–
JV115	Waterfall developments	Stage 1	On demand	None	189 514	(91 709)	97 805	182 021	(86 756)	95 265
Balance at the end of the year					**677 529**	**(357 898)**	**319 631**	181 601	(90 418)	91 183
Loans to associates					**682 236**	**(357 898)**	**324 338**	185 683	(90 418)	95 265
Non-current					490 726	(264 193)	226 533	–	–	–
Current					191 510	(93 705)	97 805	185 683	(90 418)	95 265
Loans from associates					**(4 707)**	**–**	**(4 707)**	(4 082)	–	(4 082)
Non-current					–	–	–	–	–	–
Current					(4 707)	–	(4 707)	(4 082)	–	(4 082)
Total					**677 529**	**(357 898)**	**319 631**	181 601	(90 418)	91 183

Movement in Gruppo ECL

2023	Opening ECL	ECL transferred from held for sale*	ECL raised	ECL realised/ reversed	FCTR	Closing ECL
Gruppo*	–	(183 448)	(49 045)	–	(31 700)	(264 193)
Kompasbaai	(3 662)	–	–	1 666	–	(1 996)
JV115	(86 756)	–	(4 954)	–	–	(91 710)
	(90 418)	(183 448)	(53 999)	1 666	(31 700)	(357 899)

* *The ECL of R264.2 million (2022: R183.5 million) was recognised for the loan to Gruppo which was previously classified as a non current asset held for sale in the prior year. The ECL has been measured with reference to the expected recoverable amount of the loan determined by discounting the expected cash flows to be received thereon at the effective interest rate of the loan.*

The ECL of R1.9 million (2022: R3.6 million) was recognised for the loan to Kompasbaai. The ECL of R91.7 million (2022: R86.8 million) was recognised for the loan to JV115 as a result of an additional R5.0 million ECL raised in the current year.

Notes to the financial statements

19. LOANS TO ASSOCIATES

Figures in R'000s

COMPANY

Loans to associates	Segment (note 4)	Stage of credit impairment	Repayment date	Interest rate	2023 Loan amount	2023 ECL	2023 Total	2022 Loan amount	2022 ECL	2022 Total
Kompasbaai	Head office SA	Stage 3	On demand	None	1 996	(1 996)	–	3 662	(3 662)	–
Balance at the end of the year					1 996	(1 996)	–	3 662	(3 662)	–
Loans to associates					1 996	(1 996)	–	3 662	(3 662)	–
Current					1 996	(1 996)	–	3 662	(3 662)	–
Total					1 996	(1 996)	–	3 662	(3 662)	–

The ECL of R1.9 million (2022: R3.7 million) was recognised for the loan to Kompasbaai.

The fair value of loans to associates are deemed to be Level 3 as defined by IFRS 13: Fair Value Measurements.

All loans to associates were assessed for ECL for 30 June 2023 and 30 June 2022.

The carrying amounts of the balances are deemed by the directors to approximate their fair values. The fair value of balances are determined with reference to the carrying value and the NAV of the underlying investments.

No collateral are held as security against the loans to associates.

Notes to the financial statements

20. LONG-TERM BORROWINGS

	GROUP				
Figures in R'000s	**Interest rate**	**Maturity**	**Mortgage bond**	**Non-current**	**Current**
2023					
MML				500 000	165 191
• ARF	3-month JIBAR + 1.95%	30-Sep-2024	930 027	140 000	40
• ARF	3-month JIBAR + 2.10%	30-Sep-2026		210 000	61
• Lynnwood Bridge	3-month JIBAR + 1.95%	30-Sep-2024		60 000	17
• Lynnwood Bridge	3-month JIBAR + 2.10%	30-Sep-2026		90 000	26
• BMW	3-month JIBAR + 1.80%	28-Jun-2024	273 000	–	165 047
Nedbank				3 061 289	571 546
• ARF	3-month JIBAR + 2.10%	30-Sep-2024	511 515	192 481	56
• Lynnwood Bridge	3-month JIBAR + 2.10%	30-Sep-2024		82 492	24
• Mall of Africa RCF	3-month JIBAR + 1.95%	30-Jun-2024	5 009 000	–	–
• Mall of Africa	3-month JIBAR + 1.85%	30-Jun-2024		–	525 096
• Mall of Africa	3-month JIBAR + 1.90%	30-Jun-2025		874 913	249
• Mall of Africa	3-month JIBAR + 1.95%	30-Jun-2026		619 938	177
• PwC Tower	1-month JIBAR + 2.09%	3-Jun-2030		1 076 961	33 936
• PwC Annex	1-month JIBAR + 2.33%	3-Jun-2030		102 558	3 721
• PwC Tower	1-month JIBAR + 2.52%	3-Jun-2030		111 946	8 287
OmsFin				500 000	147
• ARF	3-month JIBAR + 2.15%	30-Sep-2024	930 027	210 000	62
• ARF	3-month JIBAR + 2.30%	30-Sep-2026		140 000	41
• Lynnwood Bridge	3-month JIBAR + 2.15%	30-Sep-2024		90 000	26
• Lynnwood Bridge	3-month JIBAR + 2.30%	30-Sep-2026		60 000	18
RMB				1 332 500	381
• ARF	3-month JIBAR + 2.13%	30-Sep-2025	1 295 528	417 550	122
• ARF	3-month JIBAR + 2.38%	30-Sep-2026		70 000	21
• Lynnwood Bridge	3-month JIBAR + 2.13%	30-Sep-2025		178 950	52
• Lynnwood Bridge	3-month JIBAR + 2.38%	30-Sep-2026		30 000	9
• AWIC RCF	Prime - 1.75%	30-Dec-2023		–	–
• AWIC consolidated	3-month JIBAR + 1.75%	30-Dec-2026	909 000	200 000	56
• Lynnaur	3-month JIBAR + 1.64%	30-Dec-2025	575 000	436 000	121
Sanlam Capital				300 000	83
• AWIC consolidated	3-month JIBAR + 1.55%	31-Dec-2026	542 000	300 000	83
Sub-total carried forward				5 693 789	737 348

Notes to the financial statements

20. LONG-TERM BORROWINGS

Figures in R'000s	Interest rate	Maturity	Mortgage bond	Non-current	Current
2023					
Sub-total brought forward				5 693 789	737 348
Standard Bank				1 947 138	6 618
• ARF	3-month JIBAR + 1.80%	30-Sep-2024	1 913 066	278 250	78
• ARF	3-month JIBAR + 1.80%	30-Sep-2024		227 500	64
• ARF	3-month JIBAR + 1.95%	30-Sep-2025		214 200	61
• Lynnwood Bridge	3-month JIBAR + 1.80%	30-Sep-2024		119 250	34
• Lynnwood Bridge	3-month JIBAR + 1.80%	30-Sep-2024		97 500	28
• Lynnwood Bridge	3-month JIBAR + 1.95%	30-Sep-2025		91 800	26
• Facility 4	3-month JIBAR + 1.85%	31-Jan-2026	2 392 000	358 638	6 168
• Facility 5	3-month JIBAR + 1.85%	31-Jan-2025		560 000	159
Total				7 640 927	743 966

Figures in R'000s	Total	Non-current	Current	Held for sale
2023				
Investec	–	–	–	–
MML	665 191	500 000	165 191	–
Nedbank	3 632 835	3 061 289	571 546	–
Omsfin	500 147	500 000	147	–
RMB	1 332 881	1 332 500	381	–
Sanlam Capital	300 083	300 000	83	–
Standard Bank	1 953 756	1 947 138	6 618	–
Total	8 384 892	7 640 927	743 965	–

Notes to the financial statements

20. LONG-TERM BORROWINGS

Figures in R'000s	Interest rate	Maturity	Mortgage bond	Non-current	Current
2022					
Investec				–	236 690
• Brooklyn Bridge	Prime - 0.5%	1-Sep-2022	390 000	–	236 690
MML				665 000	127
• ARF	3-month JIBAR + 1.95%	30-Sep-2024	1 029 529	140 000	26
• ARF	3-month JIBAR + 2.10%	30-Sep-2026		210 000	41
• Lynnwood Bridge	3-month JIBAR + 1.95%	30-Sep-2024		60 000	11
• Lynnwood Bridge	3-month JIBAR + 2.10%	30-Sep-2026		90 000	18
• BMW	3-month JIBAR + 1.80%	28-Jun-2024	273 000	165 000	31
Nedbank				3 605 245	43 488
• ARF	3-month JIBAR + 2.10%	30-Sep-2024	566 241	192 480	37
• Lynnwood Bridge	3-month JIBAR + 2.10%	30-Sep-2024		82 492	16
• Mall of Africa RCF	3-month JIBAR + 1.95%	30-Jun-2024	5 009 000	–	–
• Mall of Africa	3-month JIBAR + 1.85%	30-Jun-2024		524 948	99
• Mall of Africa	3-month JIBAR + 1.90%	30-Jun-2025		874 913	166
• Mall of Africa	3-month JIBAR + 1.95%	30-Jun-2026		619 938	118
• PwC Tower	1-month JIBAR + 2.09%	3-Jun-2030		1 088 306	31 624
• PwC Annex	1-month JIBAR + 2.33%	3-Jun-2030		103 918	3 450
• PwC Tower	1-month JIBAR + 2.52%	3-Jun-2030		118 250	7 978
Sub-total carried forward				4 270 245	280 306

Notes to the financial statements

20. LONG-TERM BORROWINGS

Figures in R'000s	Interest rate	Maturity	Mortgage bond	Non-current	Current
2022					
Sub-total brought forward				4 270 245	280 306
OmsFin				500 000	99
• ARF	3-month JIBAR + 2.15%	30-Sep-2024		210 000	41
• ARF	3-month JIBAR + 2.30%	30-Sep-2026	1 029 529	140 000	28
• Lynnwood Bridge	3-month JIBAR + 2.15%	30-Sep-2024		90 000	18
• Lynnwood Bridge	3-month JIBAR + 2.30%	30-Sep-2026		60 000	12
RMB				1 332 500	4 099
• Amrod	3-month JIBAR + 2.25%	1-Dec-2022	264 000	–	–
• ARF	3-month JIBAR + 2.13%	30-Sep-2025		417 550	82
• ARF	3-month JIBAR + 2.38%	30-Sep-2026	1 434 133	70 000	14
• Lynnwood Bridge	3-month JIBAR + 2.13%	30-Sep-2025		178 950	35
• Lynnwood Bridge	3-month JIBAR + 2.38%	30-Sep-2026		30 000	6
• Corporate Campus	3-month JIBAR + 2.00%	3-Oct-2023		38 500	611
• Corporate Campus	3-month JIBAR + 2.00%	2-May-2024	500 000	44 500	460
• Corporate Campus	3-month JIBAR + 2.00%	1-Feb-2024		31 000	321
• Cummins	3-month JIBAR + 1.90%	1-Mar-2024	77 000	77 000	430
• AWIC RCF	1-month JIBAR + 2.10%	1-Dec-2022	200 000	–	–
• Lynnaur	3-month JIBAR + 2.13%	1-Dec-2024	575 000	445 000	2 140
Sanlam Capital				–	282 858
• Dischem	1-month JIBAR + 1.80%	24-Nov-2022	540 000	–	61 734
• AWIC consolidated	10.37%	10-Nov-2022		–	221 124
Standard Bank				1 607 138	4 160
• ARF	3-month JIBAR + 1.80%	30-Sep-2024		278 250	53
• ARF	3-month JIBAR + 1.80%	30-Sep-2024		227 500	42
• ARF	3-month JIBAR + 1.95%	30-Sep-2025		214 200	41
• Lynnwood Bridge	3-month JIBAR + 1.80%	30-Sep-2024		119 250	22
• Lynnwood Bridge	3-month JIBAR + 1.80%	30-Sep-2024		97 500	18
• Lynnwood Bridge	3-month JIBAR + 1.95%	30-Sep-2025	2 117 740	91 800	17
• Facility 4	3-month JIBAR + 1.85%	31-Jan-2026		358 638	3 869
• Facility 5	3-month JIBAR + 1.85%	31-Jan-2025	2 132 000	150 000	82
• The Ingress	Prime - 1.15%	27-Nov-2024	400 000	70 000	14
Total				7 709 883	571 519

Notes to the financial statements

20. LONG-TERM BORROWINGS

Figures in R'000s	Total	Non-current	Current	Held for sale
2022				
Investec	236 690	–	236 690	–
MML	665 127	665 000	127	–
Nedbank	3 648 733	3 605 245	43 488	–
Omsfin	500 099	500 000	99	–
RMB	1 336 599	1 332 500	4 099	–
Sanlam Capital	282 858	–	282 858	–
Standard Bank	1 611 296	1 607 138	4 158	–
Total	8 281 403	7 709 883	571 519	–

The weighted average cost of debt in respect of the total group borrowings at 30 June 2023 is 10.3% (June 2022: 9.4%).

Long-term borrowings are predominantly at floating interest rates. At 30 June 2023, 56.3% (June 2022: 83.0%) of committed facilities were hedged to fixed rates through interest rate hedging derivatives and fixed rate loans. Refer to note 18, as well as note 21, for further detail of the group's interest rate hedging derivatives.

Long-term borrowings have been secured by mortgage bonds over investment property to the value of R16.1 billion (2022: R17.6 billion).

Attacq has a group NAV covenant and a group gearing covenant in place. In terms of the group covenants, the group NAV must exceed R7.0 billion and the group gearing ratio must not exceed 50.0%. At 30 June 2023, both group covenants were met. In addition, at 30 June 2023, all borrower and portfolio level covenants were met and there are no forecast covenant breaches for the forecast period.

Refer to note 34 for more details with regards to the guarantees provided.

Notes to the financial statements

21. RISK MANAGEMENT

During the group's normal operations, its sources of finance and changing market conditions expose it to various financial risks, which highlights the importance of financial risk management as an element of control. Principal financial risks faced by the group include variations in interest rates, liquidity, credit and foreign currency.

Although the group does not trade in financial instruments for speculative purposes, it does utilise derivative instruments for the purpose of managing its exposure to adverse interest rate movements.

The group finances its operations through a mixture of retained profits and short and long-term bank borrowings.

There has been no significant change during the reporting period to the types of financial risks faced by the group, the measures used to measure them or the objectives, policies and processes for managing them.

The group's strong financial position, evidenced by the available liquidity of R1.4 billion (2022: R1.9 billion) which comprises unrestricted cash and cash equivalents of R606.5 million (2022: R604.2 million), prepaid access facilities of R550.0 million (2022: R960.8 million) and undrawn liquidity facilities of R240.0 million (2022: R310.0 million), will assist to address liquidity risks that may arise. During the financial year, the group refinanced certain interest-bearing borrowings that were due within the next 12 months (2022: 12 months) (note 20). The group continues to monitor its debt exposure between fixed and variable rates (note 18) to ensure a balanced portfolio in an uncertain and volatile environment.

The board, through the ARC, is responsible for the group risk management.

The duties mandated by the board relating to the ARC are detailed in the report of the ARC.

The investment committee meets frequently to consider new opportunities for the group, including credit risk relating to such opportunities.

Interest rate derivatives

The group has entered into interest rate swap contracts which obligates it to pay interest at a fixed rate on notional principal amounts and obligates it to receive interest at a variable rate on the same notional principal amounts. Under these agreements, the group agrees with the counterparty to exchange, at pre-determined intervals, the difference between the fixed and variable interest amounts calculated on the notional principal amounts.

The group has entered into interest rate cap contracts whereby, in exchange for an upfront premium payment to the counterparty to the cap, a strike rate is set which determines the maximum interest rate payable for a given notional amount during the tenor of the cap. At each reset date, if the reference rate is below the cap strike rate, the group will pay the prevailing reference rate; however, if the reference rate is above the cap strike rate at a reset date, then the interest expense will be limited to the cap strike rate.

The interest rate swap derivatives have been valued using a market quoted swap curve as at 30 June 2023. This is consistent with the prior year.

The interest rate swaps have been recognised in terms of IFRS 9: Financial Instruments, which requires that interest rate swaps be fair valued and marked to market at each reporting date.

Interest rate swaps exposed to credit risk as at 30 June 2023 are detailed in note 18.

Interest rate risk

The group's policy is to manage interest rate risk so that fluctuations in variable rates do not have a material impact on profit and loss.

The group makes use of interest rate derivatives and fixed rate borrowings to hedge its exposure to interest rate fluctuations. Refer to note 18 and 20.

It is the policy of the group to enter into interest rate derivative agreements with financial institutions to the extent that not less than 70.0% of its committed senior secured interest-bearing liabilities are held at fixed interest rates (note 18 and 20). Due to the proposed transaction with the GEPF, a relaxation in the minimum hedging ratio was requested and obtained from the various lenders. In terms of the relaxation, the group's hedging ratio may decrease from 70.0% to 50.0% of committed senior secured interest-bearing liabilities up to the earlier of the implementation of the GEPF transaction or 31 October 2023, which aligns to the long stop date of the GEPF transaction. At 30 June 2023, 60.0% (2022: 92.6%) of drawn facilities and 56.3% (2022: 83.0%) of committed facilities were hedged or fixed. When the GEPF transaction is implemented, approximately R2.8 billion of interest-bearing liabilities will be settled; this reduction in interest-bearing liabilities will automatically increase the hedge ratio to be in excess of the 70.0% minimum requirement.

Notes to the financial statements

21. RISK MANAGEMENT

The group's exposure to fair value interest rate risk and cash flow risk can be summarised as follows:

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Borrowings				
Bank borrowings at fixed rates and hedged with interest rates swaps and caps	5 033 906	7 667 565	–	–
Bank borrowings at variable rates	3 350 987	613 838	–	–
Interest rate swaps linked to JIBAR (at fair value)	2 414	77 466	–	–
Total	8 387 307	8 358 869	–	–
The estimated impact of a 100 basis points increase in interest rates would have the following before tax impact on the profits and equity of the group.	33 534	6 913	–	–

Liquidity risk

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing its liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's reputation.

The group ensures that adequate funds are available to meet its expected and unexpected financial commitments through cash and cash equivalents, liquidity facilities and undrawn borrowing facilities.

Liquidity on long-term borrowings is managed by maintaining a varied maturity profile and maintaining relationships with a number of banks and financial institutions, thereby reducing refinancing risk.

The directors review the cash flow forecasts of the group and company on a regular basis.

The ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the group's short, medium and long-term funding and liquidity management requirements.

The group manages liquidity risk by monitoring forecast cash flows in compliance with loan covenants and ensuring that adequate unutilised borrowing facilities are maintained. The directors have assessed the financial covenants, on both a historical and forward-looking basis for the next 12 months, and are confident that there will be no covenant breaches and there is sufficient headroom available in the existing covenant levels.

Notes to the financial statements

21. RISK MANAGEMENT

The group's contractual maturity on financial liabilities, based on undiscounted cash flows at year-end, are as follows:

	GROUP					
Figures in R'000s	Carrying amount	Within 1 year	1 - 2 years	2 - 5 years	>5 years	Total
2023						
Long-term borrowings	8 384 893	1 429 435	3 741 514	4 279 662	1 079 627	10 530 238
Other financial liabilities	7 121	4 495	(400)	359	3 724	8 179
Lease liabilities	238 580	51 875	49 637	111 881	171 914	385 307
Taxation payable	3 026	3 026	–	–	–	3 026
Trade and other payables	363 338	363 338	–	–	–	363 338
Total	8 996 958	1 852 169	3 790 751	4 391 902	1 255 265	11 290 087
Off balance sheet						
Financial guarantee contracts#	–	–	–	–	–	–
Total	–	–	–	–	–	–
2022						
Long-term borrowings	8 281 402	1 228 879	1 687 457	6 754 832	1 304 375	10 975 543
Other financial liabilities	77 670	71 926	154 568	147 924	(32 860)	341 559
Lease liabilities	256 785	51 125	52 059	120 115	200 277	423 576
Trade and other payables	369 060	369 060	–	–	–	369 060
Total	8 984 917	1 720 991	1 894 084	7 022 872	1 471 792	12 109 738
Off balance sheet						
Financial guarantee contracts	297 136	297 136	–	–	–	297 136
Total	297 136	297 136	–	–	–	297 136

The off balance sheet financial guarantee contract was cancelled on 22 July 2022.

Notes to the financial statements

21. RISK MANAGEMENT

COMPANY

Figures in R'000s	Carrying amount	Within 1 year	1 - 2 years	2 - 5 years	>5 years	Total
2023						
Other financial liabilities	28 222	28 222	–	–	–	28 222
Trade and other payables	1 834	1 834	–	–	–	1 834
Total	30 056	30 056	–	–	–	30 056
Off balance sheet						
Financial guarantee contracts	8 995 153	8 995 153	–	–	–	8 995 153
Lease liability guarantee[#]	–	–	–	–	–	–
Total	8 995 153	8 995 153	–	–	–	8 995 153
2022						
Other financial liabilities	39 334	39 334	–	–	–	39 334
Trade and other payables	2 246	2 246	–	–	–	2 246
Total	41 580	41 580	–	–	–	41 580
Off balance sheet						
Financial guarantee contracts	9 205 321	9 205 321	–	–	–	9 205 321
Lease liability guarantee	256 785	51 125	52 059	120 115	200 277	423 576
Total	9 462 106	9 256 446	52 059	120 115	200 277	9 628 897

[#] *The off balance sheet Lease liability guarantee has been amended on 15 December 2022 to only include non-financial obligations in favour of WDC and WIC.*

Notes to the financial statements

21. RISK MANAGEMENT

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a financial loss to the group.

The group's cash and cash equivalents are placed with high credit quality financial institutions. Credit risk in respect of trade receivables is limited due to the spread of the customer base and credit approval processes.

The group's exposure to credit risk is primarily in respect of tenants and is influenced by the individual characteristics and risk profile of each tenant. The exposure to credit risk from tenants is mitigated by the spread of the tenant base. The granting of credit to tenants is made on application and is approved by the finance department and the property managers based on their credit assessment of new and existing tenants. Tenants are required to supply refundable lease deposits and/or bank guarantees and/or suretyships by their principals. As at 30 June 2023, the group did not consider there to be any significant concentration of credit risk which has not been insured or adequately provided for. In providing for ECL on tenant accounts, the group takes cognisance of guarantees delivered by tenants and/or their bankers as well as unencumbered assets of tenants and their principals which may be attached.

The group has some exposure in respect of loans granted where collateral has been requested. The financial position of the counterparties are considered when granting the loans and is also evaluated on an on-going basis.

The carrying amounts of financial assets included in the statement of financial position represent the maximum exposure to credit risk in respect of these assets. The maximum credit exposure of interest rate swaps is represented by the fair value of these contracts.

Refer to note 25 for an analysis of the group's trade receivable's ageing, overdue accounts and ECL.

Foreign currency risk

The group is exposed to foreign exchange risks in the following investments:

- investment in AIH International, of which the exposure is denominated in US dollar (current and prior year) and euro (prior year);
- investment in AttAfrica, of which the direct exposure is denominated in US dollar and indirect exposure is denominated in Ghanaian cedi; and
- investment in Gruppo, of which the direct exposure is denominated in US dollar and indirect exposure to the Nigerian naira.

The group's exposure is managed by diversifying its investments into various currency zones.

Notes to the financial statements

21. RISK MANAGEMENT

The impact of a change in the exchange rates on the profits and equity of the group is as follows:

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
• A decrease of R1.00 to the US dollar	(29 670)	(28 377)	(29 808)	29 468
• An increase of R1.00 to the US dollar	29 670	28 377	29 808	(29 468)

The amount used to determine the impact of a movement in the US dollar exchange rate was the group's US dollar exposure relating to AIHI, AttAfrica and Gruppo.

Capital risk management

The group manages its capital to ensure that entities in the group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of debt and equity balances. The group's overall strategy remains unchanged from 2022.

The capital structure of the group consists of net debt (borrowings as detailed in note 20 offset by cash and cash equivalents as detailed in note 27) and equity of the group (comprising issued capital, reserves and retained earnings as detailed in note 29).

The group is not subject to any externally imposed capital requirements.

The board monitors the capital structure on an ongoing basis to achieve optimal value for the shareholders.

Notes to the financial statements

22. LEASES

22.1 LEASE RECEIVABLES

Figures in R'000s	GROUP 2023	GROUP 2022	COMPANY 2023	COMPANY 2022
Value of minimum lease payments receivable				
• Less than 12 months	**1 632 597**	1 554 854	**–**	–
• Between 1 and 2 years	**1 544 645**	1 429 259	**–**	–
• Between 2 and 3 years	**1 306 802**	1 313 409	**–**	–
• Between 3 and 4 years	**942 643**	1 138 767	**–**	–
• Between 4 and 5 years	**828 152**	806 803	**–**	–
• Over 5 years	**2 475 661**	3 142 945	**–**	–
Total	**8 730 500**	9 386 037	**–**	–

Lease agreements are entered into with tenants on variable terms depending on the location and nature of the lettable area. The lease terms for collaboration and logistics hub are generally longer than for retail-experience hubs.

22. LEASES

22.2 RIGHT-OF-USE ASSETS CLASSIFIED AS INVESTMENT PROPERTY

Figures in R'000s	Leasehold land obligation	Bridges	Retail space	Total
2023				
Gross carrying amount				
Balance at 1 July 2022	**315 544**	**4 480**	**3 604**	**323 628**
Lease additions	**15 201**	**–**	**–**	**15 201**
Lease terminations	**(797)**	**–**	**–**	**(797)**
Balance at 30 June 2023	**329 948**	**4 480**	**3 604**	**338 032**
Fair value adjustment				
Balance at 1 July 2022	**(73 272)**	**862**	**(252)**	**(72 662)**
(Loss) gain fair value adjustment	**(27 048)**	**312**	**(55)**	**(26 791)**
Balance at 30 June 2023	**(100 320)**	**1 174**	**(307)**	**(99 453)**
Carrying amount at 30 June 2023	**229 628**	**5 654**	**3 297**	**238 579**
2022				
Gross carrying amount				
Recognised on initial application of IFRS	285 748	4 480	1 638	291 866
Lease additions	78 273	–	1 966	80 239
Lease terminations	(48 477)	–	–	(48 477)
Balance at 30 June 2022	315 544	4 480	3 604	323 628
Fair value adjustment				
Balance at 30 June 2022	(49 167)	563	(320)	(48 924)
(Loss) gain fair value adjustment	(24 105)	299	68	(23 738)
Balance at 30 June 2022	(73 272)	862	(252)	(72 662)
Carrying amount at 30 June 2022	242 272	5 342	3 352	250 966

The group, through wholly-owned subsidiaries Adamax and Lynnwood Bridge, leases bridges from council. The remaining lease term is approximately 32 years (2022: 33 years).

The group, through wholly-owned subsidiary Brooklyn Bridge, leases retail space. The remaining lease term is approximately 3 years (2022: 3 years).

The group's right-of-use assets relating to leasehold land are classified as investment property which is externally fair valued together with the completed properties as disclosed in note 16.

Notes to the financial statements

22. LEASES

22.2 RIGHT-OF-USE ASSETS CLASSIFIED AS INVESTMENT PROPERTY

The following unobservable inputs were used by the directors in estimating the fair value of Right-of-use assets classified as investment property:

- Discount rate
- Tenant rental income

The estimated impact of a change in the following significant unobservable inputs would result in a change in the directors' valuation as follows:

Figures in R'000s	GROUP 2023	GROUP 2022
• A decrease of 50 basis points in the discount rate	4 368	4 776
• An increase of 50 basis points in the discount rate	(4 211)	(4 776)
• A decrease of 100 basis points in the rental income from tenants	2 296	2 423
• An increase of 100 basis points in the rental income from tenants	(2 296)	(2 423)

The fair value of right-of-use assets are deemed to be a Level 3 as defined by IFRS 13: Fair Value Measurements.

Future cash flows used in determining the discounted cash flows are determined with reference to the signed leases between the group and tenants. Discount rates used in the estimate are determined by the directors. Refer to note 16.4 for the detail on the fair value disclosures of the right-of-use asset.

22. LEASES

22.3 RIGHT-OF-USE ASSETS CLASSIFIED AS PROPERTY AND EQUIPMENT

Figures in R'000s	Office building	Total
2023		
Gross carrying amount		
Balance at 1 July 2022	11 792	11 792
Disposal	(11 792)	(11 792)
Balance at 30 June 2023	–	–
Accumulated depreciation		
Balance at 1 July 2022	(7 167)	(7 167)
Depreciation	(2 252)	(2 252)
Disposal	9 419	9 419
Balance at 30 June 2023	–	–
Carrying amount at 30 June 2023	–	–
2022		
Gross carrying amount		
Balance at 1 July 2022	11 792	11 792
Additions	–	–
Balance at 30 June 2022	11 792	11 792
Accumulated depreciation		
Balance at 1 July 2022	(4 709)	(4 709)
Depreciation	(2 458)	(2 458)
Balance at 30 June 2022	(7 167)	(7 167)
Carrying amount at 30 June 2022	4 625	4 625

The group, through a wholly-owned subsidiary AMS, leased office space. The lease was terminated in May 2023. As at 30 June 2023 no lease agreement was in place.
The right-of-use asset was depreciated until the lease was terminated in May 2023 after which the right-of-use asset was derecognised.

Notes to the financial statements

22. LEASES

22.4 LEASE LIABILITY

Figures in R'000s	GROUP 2023	2022
Current	31 581	28 955
Non current	206 999	227 830
Total lease liabilities	238 580	256 785
Summary of lease liabilities by period of redemption:		
Less than 12 months	51 875	51 125
Between 1 and 2 years	49 637	52 059
Between 2 and 3 years	44 970	45 329
Between 3 and 4 years	34 762	42 073
Between 4 and 5 years	32 149	32 713
Over 5 years	171 914	200 277
Lease commitment	385 307	423 576
Less effect of discounting	(146 727)	(166 791)
Total lease liabilities	238 580	256 785
Analysis of movement in lease liabilities		
Opening balance	256 785	251 065
New leases	11 892	78 272
Termination of leases	(797)	(48 477)
Interest accrual	23 417	24 118
Repayment of interest	(23 098)	(21 618)
Repayment of capital	(29 619)	(26 575)
Closing balance	238 580	256 785

The lease liabilities relate to the right-of-use assets disclosed under note 22.2 and 22.3. Interest is based on incremental borrowing rates ranging between 8.50% and 9.50%.

The group does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored as part of the group's operations.

22. LEASES

22.5 AMOUNTS RECOGNISED IN PROFIT AND LOSS

Figures in R'000s	GROUP 2023	2022
Depreciation expense on right-of-use assets	(2 252)	(2 458)
Fair value adjustments on right-of-use assets	(26 791)	(23 738)
Expense relating to leases of low value assets	(426)	(383)
Expense relating to variable lease payments not included in the measurement of the lease liability	(5 282)	(4 041)

Some of the leases in which the group is the lessee contain variable lease payment terms that are linked to variable recoveries. Variable payment are based on the usage by the tenant, for example utilities. The breakdown of lease payments is as follows:

Figures in R'000s	GROUP 2023	2022
Fixed payments	(52 717)	(48 193)
Variable payments	(5 282)	(4 041)
Total payments	(57 999)	(52 234)

Overall the variable payments constitute up to 9.1% (2022: 7.7%) of the group's entire lease payments. The group expects this ratio to remain constant in future years. The variable payments depend on the amount of variable payments receivable from the group's tenants. Taking into account the tenant activity expected over the next years, variable rental expenses are expected to continue to present a similar proportion to the current variable rental expense.

The total cash outflow for leases amount to R57.9 million (2022: R52.3 million).

Notes to the financial statements

23. INTANGIBLE ASSETS

	GROUP	
Figures in R'000s	2023	2022
Cost		
Balance at the beginning of the year	379 460	379 460
Accumulated amortisation		
Balance at the beginning of the year	(379 460)	(379 460)
Balance at the end of the year	(379 460)	(379 460)
Net carrying amount at the beginning of the year	–	–
Net carrying amount at the end of the year	–	–
The intangible assets consist of: • Intangible asset arising from the asset management agreement.	–	–
Total	–	–
Asset management agreement intangible asset	–	–

The intangible asset is amortised and tested for impairment on an annual basis or when there are indications that the intangible asset may be impaired.

The following are applicable to the current and prior year:

For the impairment testing of the intangible asset arising from the asset management agreements the appropriate discount rate was determined as the WACC of 16.22% (2022: 15.0%). The WACC was determined with reference to cost of debt of 10,27% (2022: 9.4%) and the cost of equity of 20,19% (2022: 18.89%), based on market values, and is a 40.0% (2022: 40.0%) debt to 60.0% (2022: 60.0%) equity split.

The recoverable amount of the intangible assets arising from the asset management agreement, was determined as the value in use. The value in use was calculated as the net present value of future cash flows derived from assets using cash flow projections which were discounted at appropriate discount rates. In calculating the net present value of the future cash flows, certain assumptions were required to be made in respect of highly uncertain matters including management's expectations of:

- the intangible asset arising from the asset management agreement is an ever green contract;
- CGU to which the intangible asset arising from the asset management agreement has been allocated is tested for impairment annually;
- the discounted cash flow method is used to determine the value in use of the CGU;
- the future cash flows consist of asset and property management fee income as well as asset and property management expenses;

23. INTANGIBLE ASSETS

- asset management fee income was earned with reference to the underlying property values. A view taken on changes in property valuation for the discounted cash flow period, ranging between decreases of 0.0% (2022: 0.0%) to increases of 5.0% (2022: 5.0%);
- property management fee income is earned with reference to the collections of income from the underlying properties. Collections are based on the most recent budgets. The weighted average lease escalation rates for the respective segments, being retail-experience hubs, collaboration hubs, logistics hubs and hotel, is used to escalate property management fees for the discounted cash flow period;
- the asset and property management expenses were escalated at an inflationary rate;
- the future cash flows of the CGU to which an intangible is allocated, is used as input in the discounted cash flow valuation over an initial five year period, thereafter into perpetuity as this is an evergreen contract;
- the group has used a WACC of 16.22% (2022: 15.0%) to discount the future cash flows;
- the appropriate long term growth rate, being the weighted average capitalisation rate, is applied to the future cash flow of the CGU; and
- the selection of appropriate capitalisation rates to reflect the risks involved, i.e. the weighted average exit capitalisation rates of 7,91% (2022: 8.35%).

The directors of the group have tested the intangible asset arising from the asset management agreement, that was allocated to AMS, for impairment as at 30 June 2023 and concluded that the intangible asset arising from the asset management agreements are still impaired to Rnil based on the following:

- lower than inflation property valuations, impacting asset management fee income;
- increased inflation rates;
- impairment of the investment by the group in the underlying CGU; and
- the present value of the future discounted cash flows generated by the CGU is lower than the carrying value of the CGU and does not support a value for the intangible asset.

The intangible asset arising from the asset management agreement is amortised over 15 years and is tested for impairment on an annual basis or when there are indications that the intangible assets may be impaired.

The remaining amortisation period of the intangible asset arising from the asset management agreement at 30 June 2023 is 5 years and 3 months (2022: 6 years and 3 months).

Notes to the financial statements

23. INTANGIBLE ASSETS

Wi-Fi rights intangible asset

During the 2015 financial year, the group (through wholly-owned subsidiary AWIC), acquired the Wi-Fi rights in relation to its developments over the Waterfall Farm from WIC. The rights allow AWIC to exploit certain multimedia and broadband-based services in respect of its developments.

During the 2019 financial year, the Wi-Fi rights were fully impaired due to uncertainty regarding the future income streams that could be generated from the Wi-Fi rights. An impairment of R61.9 million was recognised in other expenses.

The Wi-Fi rights intangible asset's carrying value net of impairments and accumulated amortisation of Rnil (2022: Rnil) is included in the "Head office SA" segment. Refer to note 4.

24. DEFERRED TAX ASSETS/LIABILITIES

	GROUP		COMPANY	
Figures in R'000s	**2023**	2022	**2023**	2022
The balances comprise:				
Deferred tax assets				
• Tax losses available for set off against future taxable income	–	1 109	–	–
Balance at the end of the year	–	1 109	–	–
Reconciliation of deferred tax assets				
Balance at the beginning of the year	1 109	19 806	–	–
• Reversing temporary difference on tax losses available for set off against future taxable	(1 109)	(789)	–	–
• Reversing temporary difference on sale of inventory	–	(17 908)	–	–
Balance at the end of the year	–	1 109	–	–

Notes to the financial statements

24. DEFERRED TAX ASSETS/LIABILITIES

Figures in R'000s	2023	2022	2023	2022
The balances comprise:				
Deferred tax liabilities				
• Investment property	**(391 051)**	(366 726)	**–**	–
• Tax losses available for set off against future taxable income	**431 701**	427 408	**103 069**	97 299
• Fair value on investments	**(37 176)**	(23 716)	**–**	(5 239)
• Unrealised losses on derivatives	**(10 613)**	12 240	**–**	–
• Sale of inventory	**8 704**	8 704	**–**	–
• Rental received in advance	**24 988**	16 939	**–**	–
• Deferred tax asset not recognised	**(300 395)**	(291 436)	**(103 069)**	(92 060)
• Other temporary differences~	**4 912**	15 822	**–**	–
Balance at the end of the year	**(268 930)**	(200 765)	**–**	–
Reconciliation of deferred tax liabilities				
Balance at the beginning of the year	**(200 765)**	(67 927)	**–**	–
• Originating temporary difference on investment property	**(24 324)**	(5 012)	**–**	–
• (Reversing) temporary difference on tax losses available for set off against future taxable	**4 293**	(30 782)	**5 770**	(796)
• (Originating) reversing of temporary differences of revaluation of investments	**(13 460)**	(16 388)	**5 239**	(92 755)
• Originating (reversing) temporary difference on unrealised foreign exchange gains	**–**	2 745	**–**	2 745
• Originating temporary difference on unrealised profit/losses on derivatives	**(22 853)**	(115 414)	**–**	–
• Reversing (originating) temporary difference on sale of inventory	**–**	2 515	**–**	–
• Reversing (originating) temporary difference on deferred tax assets not recognised	**(8 959)**	32 746	**(11 009)**	92 073
• Reversing temporary difference on rental received in advance	**8 049**	24	**–**	–
• (Originating) reversing other temporary differences~	**(10 911)**	(3 272)	**–**	(1 267)
Balance at the end of the year	**(268 930)**	(200 765)	**–**	–

~ *Mainly relates to ECL on trade and other receivables*

24. DEFERRED TAX ASSETS/LIABILITIES

Use and sales tax rate

CGT is not applicable on the sale of investment property and shares in a REIT or property company in terms of section 25BB of the Income Tax Act applicable to REITs. Consequently, no deferred tax was raised on the fair value of investment property.

Allowances relating to immovable property cannot be claimed and, if a REIT sells immovable property, the allowances claimed in previous years will be recouped. A deferred taxation liability was raised in this respect.

Section 25BB of the Income Tax Act allows for the deduction of the qualifying distribution paid to the shareholders, but the deduction is limited to the taxable income. To the extent that no taxation will be payable in future as a result of the qualifying distribution, no deferred taxation was raised on the straight-line lease income accrual.

A deferred taxation asset has been recognised for the assessed losses to the extent that it is probable that taxable profit will be available against which the assessed losses can be utilised.

The applicable tax rates on timing differences are based on the directors' best estimate of the manner in which these timing differences will realise.

Deferred tax assets were not recognised as follows due to insufficient future taxable profits to utilise against the deferred tax assets:

- Lynnwood Bridge - R0.0 million (2022: R2.8 million) for R0.0 million (2022: R9.9 million) relating to the estimated assessed loss;
- AWIC - R82.0 million (2022: R82.0 million) for R379.4 million (2022:R379.4 million) relating to CGT losses;
- AMS - R53.3 million (2022: R47.2 million) for R198.0 million (2022: R168.7 million) relating to the estimated assessed loss;
- AMS - R2.8 million (2022: R0.0 million) for R10.5 million (2022: R0.0 million) relating to other provisions;
- ARF - R4.2 million (2022: R4.2 million) for R19.3 million (2022: R14.9 million) relating to CGT losses;
- Attacq - R107.9 million (2022: R97.3 million) for R499.7 million (2022: R347.5 million) relating to CGT
- Attacq - R5.5 million (2022: R0.0 million) for R20.4 million (2022: R0.0 million) relating to the estimated assessed loss;
- AIM - R44.5 million (2022: R58.0 million) for R206.2 million (2022: R268.5 million) relating to estimated CGT losses.

Notes to the financial statements

25. TRADE AND OTHER RECEIVABLES

Trade and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less ECLs. Discounting is omitted where the effect of discounting is immaterial.

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Lease receivables	24 195	110 731	–	–
Deferred lease receivables	–	2 904	–	–
Municipal receivables	75 970	54 236	–	–
Deposits	18 156	17 217	–	–
Other receivables	12 966	21 429	1 788	1 857
Tenant recoveries	673	–	–	–
Development receivables	66 078	85 916	–	–
Prepayments	8 302	13 930	–	–
Value Added Tax	3 882	6 347	–	–
ECL on trade receivables	(9 944)	(79 345)	–	–
ECL on municipal receivables	(1 188)	(1 002)	–	–
ECL on other receivables	(1 544)	–	–	–
Balance at the end of the year	197 546	232 363	1 788	1 857

All amounts are short term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value.

25. TRADE AND OTHER RECEIVABLES

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Lease receivables that are past due but not impaired	4 384	20 453	–	–
Lease and deferred lease receivables age analysis excluding amounts impaired and provided for:				
• Deferred lease receivables	–	2 904	–	–
• Current	10 939	21 053	–	–
• 30 days	2 275	15 409	–	–
• 60 days	865	14 920	–	–
• 90 days	529	15 602	–	–
• 120 days and more	9 587	43 747	–	–
	24 195	113 635	–	–
Lease and deferred lease receivables that are past due, considered to be impaired and provided for	(9 944)	(79 345)	–	–
Total	14 251	34 290	–	–

The group's lease receivables are subject to the ECL model. The ECL amounted to R9.9 million (2022: R79.4 million) net of tenant deposits held as security. The group held tenant cash deposits amounting to R116.4 million at 30 June 2023 (2022: R112.9 million) as collateral for the rental commitments of tenants.

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Movement in the ECL on lease receivables				
Opening balance	79 345	48 050	–	–
ECLs raised	882	45 488	–	–
ECLs reversed	(70 283)	(14 193)	–	–
Balance at the end of the year	9 944	79 345	–	–

Deferred lease receivables forms part of lease receivables. However, the deferred lease receivables have not been aged as these receivables are not due yet.

The expected loss rates are based on the payment profiles of the tenants, and the historical credit losses experienced within the period. A default was considered to be at the point where a tenant passes 90 days. Once an amount moves through the default gateway, the recoveries, write-offs and timing is tracked to determine loss rates.

Notes to the financial statements

25. TRADE AND OTHER RECEIVABLES

In addition to the specific provisions raised, the group applied a general ECL percentage of 2.04% (2022: 1.9%) to the lease receivables. Refer to note 2 for the judgements and estimates used to determine the general ECL percentage.

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Movement in the ECL on municipal receivables				
Opening balance	1 002	1 434	–	–
ECLs raised	186	–	–	–
ECLs reversed	–	(432)	–	–
Balance at the end of the year	1 188	1 002	–	–

The group's municipal receivables are subject to the ECL model, and amounted to R1.2 million (2022: R1.0 million). The group applied a general ECL percentage of 1.6% (2022: 2.1%) to the municipal receivables.

Other receivables do not include any receivables related to leases.

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Other receivables do not include any receivables related to leases.				
Opening balance	234	234	–	–
ECLs raised	1 544	–	–	–
Balance at the end of the year	1 778	234	–	–

25. TRADE AND OTHER RECEIVABLES

On that basis, the ECL provision at 30 June 2023 was determined as follows:

	2023			2022		
Figures in R'000s	**Gross carrying amount**	**Weighted average loss rate**	**ECL allowance**	**Gross carrying amount**	**Weighted average loss rate**	**ECL allowance**
• Deferred receivables	–	0.0%	–	2 904	1.5%	(43)
• Current	10 939	9.8%	(1 072)	21 053	47.9%	(10 076)
• 30 days	2 275	15.6%	(356)	15 411	64.4%	(9 925)
• 60 days	865	46.8%	(405)	14 920	68.0%	(10 141)
• 90 days	529	68.4%	(362)	15 602	72.2%	(11 263)
• 120 days and more	9 587	80.8%	(7 749)	43 747	86.6%	(37 897)
Total	24 195	41.1%	(9 944)	113 635	69.8%	(79 345)

The ECL on the remaining receivables are deemed to be immaterial. Refer to note 1.11 for the accounting policy for ECL.

In considering any ECLs on debtor accounts, the group takes into account deposits held, bank guarantees issued by the debtor, additional guarantees provided by the principals of the debtors and running credit checks on debtors and their principals.

No material concentration of credit risk exists.

Notes to the financial statements

26. INVENTORIES

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Opening balance	**48 834**	216 336	**–**	–
Additions	**95 183**	49 162	**–**	–
Disposal	**(76 965)**	(216 664)	**–**	–
Balance at the end of the year	**67 052**	48 834	**–**	–

In the current and prior year inventories consist of Ellipse Waterfall Phase 1 and 2 sectional title inventory and Waterfall Point sectional title inventory.

The disposals in the current year relate to the disposals of Ellipse Waterfall Phase 1 and 2 sectional title inventory and a Waterfall Point sectional title unit resulting in the cost spent to that date being recognised as "Cost of sales" in profit or loss.

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term investments.

Restricted cash balances relate to tenant deposits held by the group and cash and cash equivalents in the POAs.

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Unrestricted cash balances	**606 534**	604 224	**1 644**	16 061
Restricted cash balances	**116 361**	112 897	**–**	–
Balance at the end of the year	**722 895**	717 121	**1 644**	16 061

The group, through AWIC, has an overdraft facility amounting to R240.0 million (2022: R240.0 million) with Nedbank. The overdraft facility bears interest at the SA Prime interest rate less 1.2% (2022: SA Prime interest rate less 1.2%).

In the prior year the group, through Attacq, had an overdraft facility amounting to R50.0 million, with an additional R20.0 million which was available by written request, with Standard Bank. The overdraft facility bore interest at the SA Prime interest rate less 1.0%. The overdraft facility was cancelled on 12 June 2023.

Unutilised facilities as detailed above amounted to R240.0 million (2022: R310.0 million).

Restricted cash balances relate to tenant deposits held by the group and cash and cash equivalents in the POAs.

28. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
The following investment properties and the associates liabilities are presented as held for sale:				
ASSETS				
Investment properties				
• Portion of Waterfall Lifestyle^	**–**	35 806	**–**	–
Other assets				
• Loans to associates - Gruppo	**–**	224 940	**–**	–
Balance at the end of the year	**–**	260 746	**–**	–
LIABILITIES				
Balance at the end of the year	**–**	–	**–**	–

^ *The investment property, as detailed above, forms part of the Retail-experience hubs segment detailed in note 4.*

Waterfall Lifestyle

In the prior year, the group (through its wholly owned subsidiary AWIC) and Hirsch (through Basfour 3021 Ptd Ltd) have reached a conditional agreement whereby AWIC will dispose of the leasehold rights in respect of a portion of Waterfall Lifestyle to Hirsch who will own and operate the premises as a Hirsch's Appliance Centre. The transfer occurred at the end of December 2022 with proceeds being received in January 2023.

Notes to the financial statements

28. NON-CURRENT ASSETS HELD FOR SALE AND ASSOCIATED LIABILITIES

Loans to associates - Gruppo

On 8 November 2020, a sale and purchase agreement was entered into to dispose of the shareholding and shareholder loans in AIHI Ikeja to Actis as part of a larger transaction in terms of which Actis wishes to acquire the entire issued share capital and shareholder loans owing by Gruppo, the owner of Ikeja City Mall. The investment in shares is fully impaired. The transaction remains subject to the fulfilment or waiver of various conditions precedent, including the raising of the required funds by Actis, by 30 September 2023. Notwithstanding the intention of the parties to fulfil all remaining conditions precedent, given the lengthy delays to date in implementing the disposal and the fact that the causes of the delay are beyond Attacq's control, the IFRS 5 criteria to reflect the asset as held for sale in the statement of financial position are no longer satisfied.

	GROUP		COMPANY	
Figures in R'000s	**2023**	2022	**2023**	2022
The major classes of assets and liabilities comprising the operations classified as held for sale were as follows:				
• Investment property	**–**	35 806	**–**	–
• Trade and other receivables	**–**	–	**–**	–
• Cash and cash equivalents	**–**	–	**–**	–
• Other assets	**–**	224 940	**–**	–
• Long term borrowings	**–**	–	**–**	–

The fair value of assets held for sale is deemed to be Level 3 as defined by IFRS 13: Fair Value Measurements.

The fair value of non-current assets held for sale is determined using the contractual selling prices for the related properties.

There are no unobservable inputs identifiable that would have a significant impact on the fair value of the other investments.

29. STATED CAPITAL

	GROUP		COMPANY	
	2023	2022	**2023**	2022
Authorised				
2 billion ordinary no par value shares (2022: 2 billion ordinary no par value shares).				
Issued				
Ordinary no par value shares	**6 499 090**	6 499 090	**6 872 175**	6 872 176
Reconciliation of shares issued in Rand value:				
Stated capital				
Balance at the beginning of the year	**6 499 090**	6 499 090	**6 872 176**	6 872 176
Issue of no par value shares	**–**	–	**–**	–
Balance at the end of the year	**6 499 090**	6 499 090	**6 872 176**	6 872 176
Reconciliation of number of shares issued:				
Reported at the beginning of the year	**751 551 292**	751 551 292	**751 551 292**	751 551 292
Issue of share capital during the year	**–**	–	**–**	–
	751 551 292	751 551 292	**751 551 292**	751 551 292
Adjusted for treasury shares held:				
ARF	**(29 726 516)**	(29 726 516)	**–**	–
Attacq Treasury Share Company	**(16 701 037)**	(16 701 037)	**–**	–
Total	**705 123 739**	705 123 739	**751 551 292**	751 551 292

Notes to the financial statements

29. STATED CAPITAL

In terms of a general authority to issue shares for cash passed by shareholders at the last AGM, a maximum of 35 256 187 (2022: 35 256 187) shares were placed under the control of the board at their discretion. This is subject to compliance with the company's MOI, the Companies Act and the JSE Listings Requirements. This authority is valid for the shorter of 15 months or until the next AGM. As at year end, no shares have been issued in terms of this authority.

In addition, a total of 37 577 565 ordinary shares (2022: 37 577 565) were placed under the control of the directors in terms of a resolution passed at the last AGM, provided that any allotment or issue is subject to a maximum discount of 5.0% of the weighted average traded price on the JSE of those securities over the 30 days prior to the allotment or issue or the then agreed number of business days prior to the allotment or issue at the date that the price is agreed, as the case may be. This authority is valid until the next AGM. As at year end, no shares have been issued in terms of the authority.

In terms of an ordinary resolution at the last AGM, the board may, subject to the Companies Act and JSE Listings Requirements, allot and issue shares pursuant to the Attacq LTIP as approved at the meeting. As at year end, 0 shares (2022: 0 shares) have been issued in terms of the authority.

In terms of a special resolution at the last AGM, the board may, subject to the company's MOI and the Companies Act, authorise the company to allot and issue shares to the company's directors (present and future) and prescribed officers (present and future) pursuant to the Attacq LTIP as approved at the meeting. As at year end, no shares have been issued in terms of the authority.

30. SHARE-BASED PAYMENT RESERVE

Equity-settled share-based payment reserve

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Opening balance	**82 212**	107 822	**82 212**	107 821
expense/(income)	**16 491**	(11 162)	**–**	–
Transfer between reserves on expiry	**(10 834)**	(14 448)	**–**	–
Contribution to subsidiary	**–**	–	**5 657**	(25 609)
Balance at the end of the year	**87 869**	82 212	**87 869**	82 212
Reconciled as follows:				
Share-based payments	**59 547**	59 547	**59 547**	59 547
LTIPs and retentions expense	**28 322**	22 665	**–**	–
Contribution to subsidiary	**–**	–	**28 322**	22 665
Balance at the end of the year	**87 869**	82 212	**87 869**	82 212

Cash-settled share-based payment

	GROUP		COMPANY	
Figures in R'000s	**2023**	**2022**	**2023**	**2022**
Opening balance	**265**	563	**–**	–
settled during the current year	**(93)**	(49)	**–**	–
the end of the year	**–**	(249)	**–**	–
Balance at the end of the year	**172**	265	**–**	–
Reconciled as follows:				
Current liability	**101**	193	**–**	–
Non-current liability	**71**	72	**–**	–
Balance at the end of the year	**172**	265	**–**	–

Share-based payments

The acquisition of 18.05% of the issued share capital of ARF from Nedbank resulted in an IFRS 2 charge of R59.5 million due to the increase in the share price of Attacq subsequent to the agreement of commercial terms with Nedbank prior to listing on 14 October 2013. Subsequent to listing, the share price at which the agreed number of shares were issued upon implementation of the acquisition on 25 November 2013 was R16.50 as opposed to the contractually agreed issue price of R11.63.

Notes to the financial statements

30. SHARE-BASED PAYMENT RESERVE

	GROUP AND COMPANY		
	2023		
Number of options	**Retentions**	**LTIPs**	**SARs**
Movements during the year are as follows:			
Balance at the beginning of the year	2 213 267	6 830 107	201 136
Granted during the year	1 733 514	4 154 261	–
Exercised during the year	(76 115)	(680 332)	–
Expired during the year	–	–	(201 136)
Forfeited during the year	(380 721)	(789 400)	–
Balance at the end of the year	**3 489 945**	**9 514 636**	**–**

	GROUP AND COMPANY		
	2022		
Number of options	**Retentions**	**LTIPs**	**SARs**
Movements during the year are as follows:			
Balance at the beginning of the year	1 900 137	6 394 928	201 136
Granted during the year	2 048 595	2 439 908	–
Exercised during the year	(333 986)	(264 329)	–
Expired during the year	–	–	–
Forfeited during the year	(1 401 479)	(1 740 400)	–
Balance at the end of the year	2 213 267	6 830 107	201 136

30. SHARE-BASED PAYMENT RESERVE

Retention allocations

Retentions were granted between March 2018 and October 2022. For each grant issued, a fair value was calculated at each grant date.

The retentions were granted as part of an employment package and are deemed to have been granted on the first day of employment. These will vest only if the employee has remained in the employment of Attacq for a period of three years ("vesting period").

The fair value of the retentions range between R1.50 and R17.02 and the LTIPs will vest between October 2023 and October 2027.

Retention options do not have any performance conditions.

There were no other changes in directors' shareholding between the end of the financial year and the date of approval of the AFS.

Retentions that vested during the year were exercised on 14 October 2022. The share price on the date of vesting was R6.81

LTIPs

LTIPs were granted between March 2018 and October 2022. For each grant issued a fair value was calculated at each grant date.

For the LTIPs, no performance conditions are applicable to participants receiving less than 2 500 LTIPs.

Financial and non-financial performance conditions are applicable to participants who received 2 500 LTIPs or more.

Non-market financial performance conditions apply to 35.0%, with non-financial performance conditions applicable to 35.0% of the benefits and market financial performance conditions to 30.0% of the benefits.

For all LTIPs granted on and after 14 October 2017, 60.0% of the share options will vest in the third year after grant date, 20.0% of the options will vest in the fourth year and the final 20.0% will vest in the fifth year.

The fair value of the LTIPs are between R1.23 and R15.36 and the LTIPs will vest between October 2023 and October 2027.

LTIPs that vested during the year were exercised on 14 October 2022. The share price on the date of vesting was R6.81

SARs

SARs were granted in April 2017 and expired during October 2022.

Notes to the financial statements

31. TRADE AND OTHER PAYABLES

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Trade payables	32 201	21 191	1 834	2 246
Accruals	234 556	263 535	–	–
Deposits held	96 581	84 334	–	–
Rental income received in advance	94 763	66 764	–	–
Value Added Tax	25 035	22 779	–	–
Balance at the end of the year	483 136	458 603	1 834	2 246

The fair value of trade payables, deposits held, amounts received in advance and sundry payables are deemed to be the same as the carrying value.
Accruals include amounts due relating to buildings under construction and municipal accruals on the investment properties.

32. PROVISIONS

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Provision for committed infrastructure	–	15 059	–	–
Other provisions	10 849	2 516	–	–
Balance at the end of the year	10 849	17 575	–	–
Provision for committed infrastructure reconciliation:				
Opening balance	15 059	15 059	–	–
Provision reversed/utilised	(15 059)	–	–	–
Closing balance	–	15 059	–	–
Other provisions reconciliation:				
Opening balance	2 516	3 255	–	739
Provision raised	8 333	–	–	–
Provision reversed	–	(539)	–	(539)
Provision utilised	–	(200)	–	(200)
Closing balance	10 849	2 516	–	–

The provision relating to committed infrastructure for the prior year relates to infrastructure transferred to investment properties (note 16) for which the group has a constructive obligation to incur additional infrastructure costs.

33. CASH FLOW FROM OPERATING ACTIVITIES

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Profit before taxation	593 639	1 332 082	565 682	248 349
Adjusted for:				
Interest income	(92 913)	(69 917)	(248 019)	(206 579)
Dividend income	(69 605)	(68 604)	(344 933)	(270 284)
Finance costs	815 879	828 586	–	391
Straight-line rental adjustment	(760)	(64 624)	–	–
Fair value adjustment to investment properties	4 277	(254 975)	–	–
Fair value adjustment to other financial instruments	(86 160)	(392 449)	–	–
Derecognition gain on IFRS 16	(157)	–	–	–
Loss from associates	79 219	23 735	–	–
ECL provision for trade and other receivables	(56 647)	40 744	–	–
Depreciation	3 751	4 401	–	–
Deferred initial lease expenditure	5 951	8 018	–	–
Share-based payments	16 583	(11 088)	–	–
Foreign currency translation effect	(210)	(79 379)	–	33 105
ECL on loans to associates	52 333	(17 414)	(1 666)	(3 122)
Derecognition gain on financial instrument	–	–	(32 781)	(20 645)
Reversal of ECL on guarantee	(203)	(15 839)	(11 112)	(103 584)
Net profit on disposal of non-current asset held for sale	(5 894)	(14 369)	–	–
Write-off of infrastructure balances	609	8 184	–	–
Impairment of investment in associate	–	(6 448)	–	–

Notes to the financial statements

33. CASH FLOW FROM OPERATING ACTIVITIES

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Reversal of impairment of other loans	–	(60)	–	–
Reversal of impairment ECL loans to subsidiaries	–	–	(1 369)	(20 768)
ECL on loans to other	13 389	–	–	–
Net loss on disposal of investment properties	6 779	–	–	–
Net profit on disposal of associate and other assets	(800)	–	(800)	–
ECL of loans to subsidiaries	–	–	67 599	336 351
Reversal of ECL loans to other	(33)	(1 487)	–	–
Cash generated from (utilised in) operations before working capital	1 279 027	1 249 097	(7 399)	(6 786)
Changes in working capital:				
Decrease (Increase) in accounts receivable	14 400	(125 203)	69	(31)
(Increase) Decrease in inventory	33 692	167 502	–	–
Increase (Decrease) in accounts payable	24 535	21 425	(412)	(455)
Total	1 351 654	1 312 821	(7 742)	(7 272)

33.1 RECONCILIATION OF INTEREST-BEARING BORROWINGS

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Opening balance	8 281 403	10 183 029	–	–
Long-term borrowings raised	1 672 377	150 000	–	–
Long-term borrowings repaid	(1 571 274)	(2 043 840)	–	–
Interest capitalised to long-term borrowings	2 531	792	–	–
Decrease in interest accruals	(144)	(8 632)	–	–
Foreign currency translation differences	–	54	–	–
	8 384 893	8 281 403	–	–

33.2 OTHER FINANCIAL LIABILITIES REPAID (ADVANCED)

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Opening balance	77 670	516 176	–	–
Fair value adjustment through profit and loss	(75 052)	(422 668)	–	–
Reversal of guarantees	(204)	(15 838)	–	–
Closing balance	2 414	77 670	–	–

33.3 REPAYMENT OF LEASE LIABILITY

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Opening balance	(256 784)	(251 065)	–	–
Additions to lease liability	(11 096)	(29 795)	–	–
Repayment of lease liability - capital	29 619	26 576	–	–
Repayment of lease liability - interest	23 098	21 618	–	–
Interest capitalised to lease liability	(23 417)	(24 118)	–	–
	(238 580)	(256 784)	–	–

Notes to the financial statements

34. COMMITMENTS

34.1 CAPITAL COMMITMENTS

Figures in R'000s	GROUP 2023	GROUP 2022
Already contracted but not provided for:		
The Waterfall leasehold land relates to a minimum of 1 876 022m^2 of bulk property zoned for logistics, collaboration and retail-experience hubs use. Current costs committed are for the installation of services on various land parcels on the Waterfall leasehold land.	323 232	217 039
The group entered into an agreement for the development of:		
Two office buildings in Corporate Campus Phase 2. One of the buildings has been leased to a third party and the second building has been developed on a speculative basis and has been leased to various tenants. This has been recognised as an investment property. The group has an effective 50.0% interest in the development.	–	811
Three speculative midi warehouses on LP9. The warehouses are currently being developed and have been recognised as investment property.	164 406	–
One office building in Corporate Campus Phase 4. The building had been developed on a speculative basis, is fully leased to third parties and has been recognised as an investment property. The group has an effective 50.0% interest in the development.	–	3 408
One office building, together with basement parking, in Corporate Campus Phase 5. The building is fully leased to third parties and has been recognised as an investment property. The group has an effective 50.0% interest in the development.	10 088	8 380
The Gateway West Building. The building was developed on a speculative basis, is leased to third parties and has been recognised as an investment property.	1 084	436
Sectional title offices in Waterfall Point, comprising of four buildings. Two buildings have been recognised as investment property and two buildings were recognised as inventory. Of the buildings recognised as inventory, 87.5% have been sold.	10 505	337
The Bidvest Plumblink Warehouse, a 50% joint venture with Bidvest Properties for a Showroom and Warehouse for Bidvest Plumblink.	11 814	39 608
The River Creek development of the Deloitte Head Office (disposed in the current year). The group currently has no interest in the development, however as part of the disposal agreement is obligated to complete specific development works.	–	4 991

34. COMMITMENTS

34.1 CAPITAL COMMITMENTS

Figures in R'000s	GROUP 2023	GROUP 2022
Two office buildings of the Ingress Phase 1. One of the buildings has been leased to a third party and the second building that was developed on a speculative basis is fully occupied. Both buildings are recognised as investment property.	21 844	11 717
For the development of a super basement for the Nexus collaboration hubs. The basement will form part of the Nexus mixed-use precinct, which will be leased to third parties and will be recognised as investment property.	10 545	11 756
For the development of one office building in the Nexus collaboration hubs. The building has been partially leased to a third party. This has been recognised as an investment property.	36 961	28 471
Phase 1 of the Ellipse Waterfall residential development, of which the group has an effective 50.0% interest. Phase 1 of the development consists of 2 high-rise residential towers which have been developed for sale to end users. This has been recognised as inventory.	1 170	4 852
Phase 2 of the Ellipse Waterfall residential development. Phase 2 of the development consists of 1 high-rise residential tower and common facilities. This has been recognised as inventory.	17 849	35 530
The Vantage Data Centre. The data centre has been leased to a third party and has been recognised as investment property. The group has an effective 50.0% interest in the development.	79 649	72 320
The Cotton On warehouse. The warehouse has been leased to Cotton On and has been recognised as investment property. The group has an effective 50.0% interest in the development.	1 079	11 873
Option to exercise call option:		
The group exercised its call option to increase its shareholding in JV115 from the existing 23.6% to 50.0% on 27 June 2022. The acquisition of the shares is subject to approval by the Competition authorities.	141 000	90 000
Total	831 226	541 529

Notes to the financial statements

34. COMMITMENTS

34.2 CONTINGENT COMMITMENTS

	GROUP	
Figures in R'000s	2023	2022
Approved but not contracted for		
The group has approved:		
Various capital expenditures within the AWIC completed buildings portfolio	60 345	40 383
Tenant installations at Maxwell Office Park	2 159	1 014
Various capital expenditures at Eikestad Precinct	8 238	13 278
Various capital expenditures at Garden Route Mall	17 757	14 741
Various capital expenditures at Brooklyn Mall	8 935	8 467
Various capital expenditures at MooiRivier Mall	15 317	13 295
Various capital expenditure at the Auditor General building	250	301
Various capital expenditures at Brooklyn Bridge, Lynnwood Bridge Retail and Glenfair Boulevard	18 923	13 514
Various capital expenditures at Head Office	7 718	–
Total	139 642	104 993

34. COMMITMENTS

34.2 CONTINGENT COMMITMENTS

	GROUP		COMPANY	
Figures in R'000s	2023	2022	2023	2022
Guarantees provided				
Guarantee in respect of funds advanced:				
By Investec to Brooklyn Bridge Office Park	–	–	–	140 000
By various funders to Lynnwood Bridge and ARF	–	–	3 000 838	3 016 825
By Sanlam Capital for a portfolio of properties situated in Waterfall	–	–	300 083	282 858
By Nedbank to AWIC for a portfolio of properties situated in Waterfall	–	–	3 108 043	3 108 043
By MML to AWIC for the BMW Distribution Centre	–	–	165 047	165 031
By Standard Bank for a portfolio of properties situated in Waterfall	–	–	924 965	992 603
By RMB for a portfolio of buildings situated in Waterfall and Pretoria	–	–	786 177	789 962
By Nedbank to AIM Investco for hedging facilities	–	–	70 000	70 000
By Nedbank to AWIC for hedging facilities	–	–	640 000	640 000
Causa guarantee in respect of funds advanced:				
By Standard Bank to The Moolman Group for the development of Maxwell Office Park with joint and several liability. This has been cancelled on 22 July 2022.	–	–	–	–
Lease liability guarantee:				
The previous year guarante relates to Attacq's guarantee of the principal obligation of the lease liability as disclosed in note 22 in favour of WDC and WIC. The guarantee has been amended on 15 December 2022 to only include non-financial obligations in favour of WDC and WIC.	–	–	–	256 785
Total	–	–	8 995 153	9 462 107

Notes to the financial statements

35. GOING CONCERN

The directors have reviewed the group and company's cash flow forecasts up to the period ending 30 September 2024 and, in light of this review and the current financial position, the directors believe that the group and company has adequate financial resources to continue in operation for the ensuing 12 month period and accordingly the consolidated and separate AFS have been prepared on a going concern basis.

At 30 June 2023, the group had a positive NAV of R12.4 billion (2022: R12.3 billion). Although the current liabilities exceeded the current assets by R154.6 million the group had R550.0 million available on prepaid access facilities. If taken into account the current assets exceed the current liabilities by R395.4 million. In the prior year the current assets together with non-current assets held for sale exceeded its current liabilities together with non-current liabilities associated directly with non-current assets held for sale by R218.8 million.

At 30 June 2023, the group had available liquidity of R1.4 billion (2022: R1.9 billion) comprising unrestricted cash and cash equivalents of R606.5 million (2022: R604.2 million), prepaid access facilities of R550.0 million (2022: R960.8 million) and committed undrawn facilities of R240.0 million (2022: R310.0 million). The group has access to adequate facilities and available cash balances to complete developments under construction and developments commenced post year end.

The group has performed cash flow forecasts to support the going concern assumption of the group. Financial covenants are expected to be complied with in full.

The directors have concluded that the Group has adequate resources to continue operating for the 12 month period ending 30 September 2024 and that it is appropriate to adopt the going concern basis in preparing the financial statements.

36. EVENTS AFTER REPORTING DATE

Declaration of dividend after reporting period

In line with IAS 10 – Events after the Reporting Period, the declaration of the dividend occurred after the end of the reporting period, resulting in a non-adjusting event that is not recognised in the financial statements.

The board approved a final gross cash dividend of 29.0 cents per share for the year ended 30 June 2023 (2022: 50.0 cents per share), amounting to R204.5 million (2022: R352.6 million). This brings the full year dividend to 58.0 cents per share (2022: 50.0 cents per share). The full year dividend represents a payout ratio of 80.7% based on the group's distributable income and meets the minimum 75% payout ratio required by the JSE Listings Requirements for a Real Estate Investment Trust.

Government Employees Pension Fund ("GEPF") Transaction

On 5 July 2023, Attacq, AWIC and the GEPF entered into a Subscription and Sale of Shares and Claims Agreement in terms of which, subject to certain conditions precedent, the GEPF will acquire a 30% shareholding in AWIC by subscribing for new shares and acquiring existing issued shares from Attacq. Attacq will also dispose of 30% of its existing shareholder loan and Attacq and GEPF will advance a further R1 billion in shareholder loans to AWIC, R700 million from Attacq and R300 million from GEPF ("Proposed Transaction"). All shareholder loans extended to AWIC will be interest-free, have no fixed terms of repayment and will be repaid as and when the AWIC board of directors determines that there is free cash flow available.

The final condition precedent was fulfilled on 18 September 2023, being the approval of Attacq shareholders at a general meeting. The implementation date of the Proposed Transaction is contractually set for 17 October 2023, when ownership of 30% of AWIC's equity and shareholder loans will pass to the GEPF against payment of the preliminary purchase price, which purchase price will be finally determined with reference to AWIC's 31 October 2023 accounts, with any adjustments required to be made to the purchase price to be made on or about 12 December 2023. This will result in a non-controlling interest reserve at Group level. The maximum consideration payable by the GEPF in respect of the Sale Shares, the Subscription Shares, the Sale Claim and the additional loan is R2.688 billion.

The conditions precedent of the Proposed Transaction included the restructure of AWIC's indirect investment in MAS held via AIM Investco ("AIM"), be restructured so that it is held elsewhere in the Attacq Group ("AIM Restructure"). The AIM Restructure was completed by 11 July 2023, after the conclusion of the following steps relevant to Attacq:

- AWIC distributed, out of its stated capital and on loan account ("Distribution Loan") an amount of R1.0 billion to Attacq being the amount of the AIM loan balance created pursuant to a disposal of AIM Investco by AWIC to ARF. This distribution eliminates on consolidation and has no impact on the Group results.
- Attacq, AWIC and ARF entered into a loan settlement agreement in terms of which AWIC agreed that ARF would settle its obligations in terms of the Distribution Loan. This results in an increase in the Attacq intercompany loan with ARF and a corresponding decrease in the Attacq intercompany loan with AWIC. The loans eliminates on consolidation and has no impact on the Group results.
- Attacq and AWIC entered into a share buy back transaction, via loan account, of AWIC shares to the value of the AIM loan previously settled being R1.57 billion. This results in a decrease in Attacq's investment in AWIC of R1.57 billion and a corresponding increase in the Attacq intercompany loan with AWIC. The loans eliminates on consolidation and has no impact on the Group results.

MAS dividend declaration

On 4 September 2023, MAS announced that it will not declare a dividend for the six-month period ending 30 June 2023.

Restructuring of long-term borrowings

Subsequent to year end, as a consequence of the GEPF transaction, the group has renegotiated its entire outstanding interest-bearing liabilities. Term sheets have been agreed with the lenders and final long-form legal agreements are in the process of being finalised. In total, interest-bearing liabilities will be reduced by a total of approximately R2.9 billion, being approximately R2.2 billion in AWIC, R500.0 million in ARF and Lynnwood Bridge syndicated loan, and R200.0 million in Lynnaur. In addition, the refinanced facilities will be at reduced margins from their current levels due to the group's improved credit metrics.

Additional investment in AttAfrica

Subsequent to year end, Attacq invested an additional R40.7 million into AttAfrica which will be used to settle bank debt.

No other significant subsequent events occurred from 30 June 2023 up until the date of the signing of the annual financial statements.

Notes to the financial statements

37. RELATED PARTIES

Related parties are defined as those entities with which the group and company transacted during the year presented and in which the following relationship(s) exist:

Direct subsidiaries

AIH International
AMS
ARF
AWIC
Brooklyn Bridge
Lynnaur
Lynnwood Bridge
Attacq Treasury Share Company

Indirect subsidiaries

AIHI Ikeja
Attacq The Mix
AIM
Adamax
Attacq Ellipse

Direct associates

AttAfrica SA (deregistered)
West Africa Asset Management
Fountains Regional Mall
Kompasbaai
Wingspan
Travenna

Indirect associates

AttAfrica
JV115
JV15
Gruppo
AWIC Waterfall TM JVCO

37. RELATED PARTIES

Property owners' associations (common directors)

Lynnwood Bridge Property Owners Association
LP8 Waterfall Distribution Campus NPC
LP9 Logistics Precinct Property Association NPC
LP9N Logistics Precinct North NPC
LP22 Waterfall Commercial District NPC
Waterfall City Property Association NPC
Maxwell Office Park Property Association NPC
Waterfall Allandale Property Association PC
Waterfall Corporate Campus Property Association - LP10B NPC

Directors (note 14)

P Tredoux[#*] (Chairman)
JR van Niekerk (CEO, appointed 01 May 2021)
R Nana (CFO)
IN Mkhari[#*]
HR El Haimer[#*]
TP Leeuw[#*] (appointed 10 February 2021)
AE Swiegers[#*] (appointed 14 January 2021)
S Shaw-Taylor[#*]
JHP van der Merwe[#*]
F De Buck[#*] (appointed 1 February 2023)
Dr G Rohde[#*] (appointed 1 February 2023)

[#] *Independent*
[*] *Non-executive*

Management

Key management and prescribed officers (note 14):

2023

D Theron
MW Clampett
PL de Villiers
D Oosthuizen
L Tsolo

2022

D Theron
MW Clampett
PL de Villiers
GE Pendleton (resigned 31 January 2022)
D Oosthuizen (appointed 31 January 2022)
L Tsolo (appointed 5 January 2022)

Notes to the financial statements

37. RELATED PARTIES

Figures in R'000s	2023							2022						
	Shares issued/ buy back/ sold/(purchased)	Sales and services to (Purchases and services from)	Dividends received from	Interest received from (paid to)	Balances owning by (to)	ECL	Balances owing by (to) - net of ECL	Shares issued/ buy back/ sold/(purchased)	Sales and services to (Purchases and services from)	Dividends received from	Interest received from (paid to)	Balances owning by (to)	ECL	Balances owing by (to) - net of ECL
GROUP														
AttAfrica	–	–	–	–	(4 707)	–	(4 707)	–	–	–	–	(4 082)	–	(4 082)
Gruppo	–	–	–	20 646	490 726	(264 193)	226 533	–	–	–	–	408 388	(183 448)	224 940
JV115	–	–	–	–	189 514	(91 709)	97 805	–	–	–	–	182 021	(86 756)	95 265
Lynnwood Bridge Home Owners Association	–	(1 730)	–	–	–	–	–	–	(1 651)	–	–	–	–	–
LP8 Waterfall Distribution Campus NPC	–	(1 233)	–	–	–	–	–	–	(1 252)	–	–	–	–	–
LP9 Logistics Precinct Property Association NPC	–	(830)	–	–	–	–	–	–	(832)	–	–	–	–	–
LP9N Logistics Precinct North NPC	–	(1 168)	–	–	–	–	–	–	(752)	–	–	–	–	–
LP22 Waterfall Commercial District NPC	–	(721)	–	–	–	–	–	–	(510)	–	–	–	–	–
Waterfall City Property Association NPC	–	(14 695)	–	–	–	–	–	–	(13 762)	–	–	–	–	–
Maxwell Office Park Property Association NPC	–	(1 744)	–	–	–	–	–	–	(1 615)	–	–	–	–	–
Waterfall Allandale Property Association PC	–	(3 564)	–	–	–	–	–	–	(3 330)	–	–	–	–	–
Waterfall Corporate Campus Property Association - LP10B NPC	–	(891)	–	–	–	–	–	–	(841)	–	–	–	–	–
Kompasbaai	–	–	–	–	1 996	(1 996)	–	–	–	–	–	3 662	(3 662)	–
Wingspan	–	–	11 708	–	–	–	–	–	–	–	–	–	–	–
Non-executive directors' remuneration (note 14)	–	(5 202)	–	–	–	–	–	–	(4 587)	–	–	–	–	–
Executive directors' remuneration (note 14)	–	(14 309)	–	–	–	–	–	–	(12 749)	–	–	–	–	–
Prescribed officers' remuneration (note 14)	–	(12 845)	–	–	–	–	–	–	(11 957)	–	–	–	–	–
Total	–	(58 932)	11 708	20 646	677 529	(357 898)	319 631	–	(53 836)	–	–	589 989	(273 866)	316 123

Notes to the financial statements

37. RELATED PARTIES

Figures in R'000s	2023							2022						
	Shares issued/ buy back/ sold/(purchased)	Sales and services to (Purchases and services from)	Dividends received from	Interest received from (paid to)	Balances owning by (to)	ECL	Balances owing by (to) - net of ECL	Shares issued/ buy back/ sold/(purchased)	Sales and services to (Purchases and services from)	Dividends received from	Interest received from (paid to)	Balances owning by (to)	ECL	Balances owing by (to) - net of ECL
COMPANY														
AIH International	(90 454)	–	–	–	–	–	–	–	–	–	(391)	–	–	–
ARF	–	–	59 088	36 706	448 754	(281)	448 473	–	–	5 182	27 820	498 017	(248)	497 769
AMS	–	(1 842)	–	–	290 581	(290 581)	–	–	(1 080)	–	2 935	223 305	(223 305)	–
AWIC	–	–	219 900	184 461	2 315 494	(724)	2 314 770	–	–	177 400	163 724	2 840 810	(1 809)	2 839 001
Brooklyn Bridge	–	–	3 502	21 264	313 151	(1 700)	311 451	–	–	17 397	5 538	89 865	(1 410)	88 455
Lynnaur	–	–	11 093	1 545	10 859	(140)	10 719	–	–	36 200	1 344	23 114	(248)	22 866
Lynnwood Bridge	–	–	39 642	2 752	3 180	(2)	3 178	–	–	33 974	3 348	45 976	(21)	45 955
Kompasbaai	–	–	–	–	1 996	(1 996)	–	–	–	–	–	3 662	(3 662)	–
Wingspan	–	–	11 708	–	–	–	–	–	–	–	–	–	–	–
Attacq Treasury Share Company	–	–	–	–	73 274	(176)	73 098	–	–	–	1 419	86 468	(275)	86 193
Non-executive directors' remuneration (note 14)	–	(5 202)	–	–	–	–	–	–	(4 587)	–	–	–	–	–
Executive directors' remuneration (note 14)	–	(14 309)	–	–	–	–	–	–	(12 749)	–	–	–	–	–
Prescribed officers' remuneration (note 14)	–	(12 845)	–	–	–	–	–	–	(11 957)	–	–	–	–	–
Total	(90 454)	(34 198)	344 933	246 728	3 457 289	(295 600)	3 161 689	–	(30 373)	270 153	205 737	3 811 217	(230 978)	3 580 239

The remuneration of the directors and prescribed officers of the company are paid through AMS (wholly owned subsidiary of Attacq).

Balances owing by and to are detailed in note 18, 19 and 41 of the AFS.

Refer to note 34 for all guarantees provided by Attacq to its related parties.

Notes to the financial statements

38. FINANCIAL INSTRUMENTS

Categories of financial instruments

Figures in R'000s	Note	2023 Total	FVPL	At amortised cost	FVOCI	Non financial instruments
GROUP						
ASSETS						
NON-CURRENT ASSETS						
Property and equipment	39	8 788	–	–	–	8 788
Investment property	16	17 652 569	–	–	–	17 652 569
Straight-line lease debtor	6	1 080 359	–	–	–	1 080 359
Deferred initial lease expenditure		31 127	–	–	–	31 127
Intangible assets	23	–	–	–	–	–
Investment in associates	17	329 489	–	–	–	329 489
Loans to associates	19	226 533	–	226 533	–	–
Deferred tax assets	24	–	–	–	–	–
Other financial assets	18	1 387 280	22 932	385 799	978 549	–
CURRENT ASSETS						
Taxation receivable		628	–	–	–	628
Trade and other receivables	25	197 546	–	193 664	–	3 882
Inventory	26	67 052	–	–	–	67 052
Other financial assets	18	37 796	25 058	12 738	–	–
Loans to associates	19	97 805	–	97 805	–	–
Cash and cash equivalents	27	722 895	–	722 895	–	–
Non-current assets held for sale	28	–	–	–	–	–
TOTAL ASSETS		21 839 867	47 990	1 639 434	978 549	19 173 894
LIABILITIES						
NON-CURRENT LIABILITIES						
Long-term borrowings	20	7 640 927	–	7 640 927	–	–
Other financial liabilities	18	1 491	1 491	–	–	–
Cash settled share based payments	30	71	–	–	–	71
Lease liability	22	206 999	–	206 999	–	–
Deferred tax liabilities	24	268 930	–	–	–	268 930
CURRENT LIABILITIES						
Long-term borrowings	20	743 966	–	743 966	–	–
Other financial liabilities	18	923	923	–	–	–
Lease liability	22	31 581	–	31 581	–	–
Loans from associates	19	4 707	–	4 707	–	–
Taxation payable		3 026	–	–	–	3 026
Cash settled share based payments	30	101	–	–	–	101
Trade and other payables	31	483 136	–	458 101	–	25 035
Provisions	32	10 849	–	–	–	10 849
TOTAL LIABILITIES		9 396 707	2 414	9 086 281	–	308 012

Notes to the financial statements

38. FINANCIAL INSTRUMENTS

Categories of financial instruments		2022				
Figures in R'000s	**Note**	**Total**	**FVPL**	**At amortised cost**	**FVOCI**	**Non financial instruments**
GROUP						
NON-CURRENT ASSETS						
Property and equipment	39	11 949	–	–	–	11 949
Investment property	16	17 585 319	–	–	–	17 585 319
Straight-line lease debtor	6	1 079 595	–	–	–	1 079 595
Deferred initial lease expenditure		5 214	–	–	–	5 214
Investment in associates and joint ventures	17	295 777	–	–	–	295 777
Deferred tax assets	24	1 109	–	–	–	1 109
Other financial assets	18	1 271 038	24 316	330 486	916 236	–
CURRENT ASSETS						–
Taxation receivable		467	–	–	–	467
Trade and other receivables	25	232 363	–	226 016	–	6 347
Inventory	26	48 834	–	–	–	48 834
Other financial assets	18	21 485	7 893	13 592	–	–
Loans to associates and joint ventures	19	95 265	–	95 265	–	–
Cash and cash equivalents	27	717 121	–	717 121	–	–
Non-current assets held for sale	28	260 746	–	–	–	260 746
TOTAL ASSETS		21 626 282	32 209	1 382 480	916 236	19 295 357
LIABILITIES						
NON-CURRENT LIABILITIES						
Long-term borrowings	20	7 709 883	–	7 709 883	–	–
Other financial liabilities	18	1 087	883	204	–	–
Cash-settled share-based payments	30	72	–	–	–	72
Lease liability	22	227 830	–	227 830	–	–
Deferred tax liabilities	24	200 765	–	–	–	200 765
CURRENT LIABILITIES						–
Long-term borrowings	20	571 519	–	571 519	–	–
Other financial liabilities	18	76 583	76 582	–	–	–
Lease liability	22	28 955	–	28 955	–	–
Loans from associates	19	4 082	–	4 082	–	–
Cash-settled share-based payments	30	193	–	–	–	193
Trade and other payables	31	458 603	–	435 824	–	22 779
Provisions	32	17 575	–	–	–	17 575
TOTAL LIABILITIES		9 297 147	77 465	8 978 297	–	241 384

Notes to the financial statements

38. FINANCIAL INSTRUMENTS

Categories of financial instruments		2023				
Figures in R'000s	Note	Total	FVPL	At amortised cost	FVOCI	Non financial instruments
COMPANY						
ASSETS						
NON-CURRENT ASSETS						
Investment in associates	17	2 409	–	–	2 409	–
Investment in subsidiaries	41	9 630 850	–	–	9 630 850	–
Other financial assets	18	3 943	–	3 943	–	–
CURRENT ASSETS						
Trade and other receivables	25	1 788	–	1 788	–	–
Other financial assets	18	2 254	–	2 254	–	–
Loans to subsidiaries	42	3 161 689	–	3 161 689	–	–
Cash and cash equivalents	27	1 644	–	1 644	–	–
TOTAL ASSETS		12 804 577	–	3 171 318	9 633 259	–
LIABILITIES						
NON-CURRENT LIABILITIES						
Other financial liabilities	18	28 222	–	28 222	–	–
CURRENT LIABILITIES						
Trade and other payables	31	1 834	–	1 834	–	–
TOTAL LIABILITIES		30 056	–	30 056	–	–

Notes to the financial statements

38. FINANCIAL INSTRUMENTS

Categories of financial instruments		2022				
Figures in R'000s	Note	Total	FVPL	At amortised cost	FVOCI	Non financial instruments
COMPANY						
ASSETS						
NON-CURRENT ASSETS						
Investment in associates	17	37 915	–	–	37 915	–
Investment in subsidiaries	41	8 952 330	–	–	8 952 330	–
Other financial assets	18	7 243	–	7 243	–	–
CURRENT ASSETS						
Trade and other receivables	25	1 857	–	1 857	–	–
Other financial assets	18	488	–	488	–	–
Loans to subsidiaries	42	3 580 239	–	3 580 239	–	–
Cash and cash equivalents	27	16 061	–	16 061	–	–
TOTAL ASSETS		12 596 133	–	3 605 888	8 990 245	–
LIABILITIES						
NON-CURRENT LIABILITIES						
Other financial liabilities	18	39 334	–	39 334	–	–
CURRENT LIABILITIES						
Trade and other payables	31	2 246	–	2 246	–	–
TOTAL LIABILITIES		41 580	–	41 580	–	–

Notes to the financial statements

39.1 PROPERTY AND EQUIPMENT

	GROUP	
Figures in R'000s	2023	2022
Cost		
Opening balance	72 895	70 637
Additions	3 835	2 258
Derecognition of right-of-use asset	(11 792)	–
Closing balance	64 938	72 895
Accumulated depreciation		
Opening balance	60 946	56 545
Depreciation	2 371	1 943
Depreciation of right-of-use asset	2 252	2 458
Derecognition of right-of-use asset	(9 419)	
Closing balance	56 150	60 946
Carrying value	8 788	11 949

Useful lives of property and equipment

The group reviews the estimated useful lives of property and equipment annually. The useful lives in the current and prior years are:

Item	Useful life
• Equipment	3 years
• Computer equipment	3 years
• Furniture and fittings	6 years
• Other fixed assets	5 to 10 years

Refer to note 22 for further information on the right-of-use asset.

39.2 DEFERRED INITIAL LEASE EXPENDITURE

	GROUP	
Figures in R'000s	2023	2022
Cost		
Opening balance	15 417	13 253
Additions	27 543	2 164
Closing balance	42 960	15 417
Accumulated depreciation		
Opening balance	10 203	8 386
Depreciation	1 631	1 817
Closing balance	11 834	10 203
Carrying value	31 126	5 214

Deferred initial lease expenditure includes letting commission paid and tenant installations incurred by AMS on the owner occupied building (Nexus Building 1) both of which is amortised over the lease term.

Notes to the financial statements

40. DIRECT SUBSIDIARIES AND ASSOCIATES

	Type of investment	Nature of company	Issued shares 30 June 2023	% 2023	% 2022	Shares 2023	Shares 2022
AIH International (Mauritian)	Subsidiary	Investment	1	**100**	100	**1**	1
AMS	Subsidiary	Asset management	9 028	**100**	100	**9 028**	9 028
AWIC	Subsidiary	Property Investment	17 760	**100**	100	**17 760**	100 001
Brooklyn Bridge	Subsidiary	Property Investment	1 000	**100**	100	**1 000**	1 000
Harlequin Duck (note A)	Subsidiary	Liquidated	400	**100**	100	**400**	400
Attacq Investment (note A)	Subsidiary	Liquidated	100	**100**	100	**100**	100
Lynnwood Bridge	Subsidiary	Property Investment	1 828	**100**	100	**1 828**	1 828
ARF	Subsidiary	Property Investment	735 624	**100**	100	**735 624**	735 624
Lynnaur	Subsidiary	Property Investment	105	**100**	100	**105**	105
Attacq Treasury Share Company	Subsidiary	Investment	100	**100**	100	**100**	100
Wingspan	Associate	Investment	630 732	**34**	34	**217 201**	217 201
Kompasbaai	Associate	Property Investment	100	**33**	33	**33**	33
Travenna	Associate	Investment	1 000	**36**	36	**360**	360
Fountains Regional Mall	Associate	Dormant	100 000	**13**	13	**12 731**	12 731
West Africa Asset Management	Associate	Investment	10 000	**27**	27	**2 688**	2 688

The principal place of incorporation of the above entities is SA, except for AIHI which is Mauritian.

The financial year-end of all the above subsidiaries and associates is 30 June.

Changes in the effective shareholding that the group has in the entities above is shown below:

A The liquidation process has been effected at CIPC in order for Harlequin Duck and Attacq Investments to be wound up. Harlequin Duck and Attacq Investments were placed in voluntary liquidation on 25 November 2019.

Notes to the financial statements

41. INVESTMENT IN SUBSIDIARIES

	COMPANY	
Figures in R'000s	**2023**	**2022**
Balance at the beginning of the year	**8 952 332**	7 479 926
Additions*	**400 668**	268 001
Disposal	**–**	(24 504)
Fair value adjustment through other comprehensive income	**277 850**	1 228 909
Balance at the end of the year	**9 630 850**	8 952 332
Reconciled as follows:		
Cost	**7 662 443**	7 261 775
Net gain from fair value adjustment	**2 780 327**	2 428 354
Net loss from fair value adjustment	**(811 920)**	(737 797)
Balance at the end of the year	**9 630 850**	8 952 332
Net investment in subsidiaries	**9 630 850**	8 952 332
Investment in subsidiaries comprise the following:		
AIH International		
Balance at the beginning of the year	**478 859**	–
Additions	**90 454**	105 666
Fair value adjustment through other comprehensive income	**(10 706)**	373 193
	558 607	478 859
Reconciled as follows:		
Cost	**860 738**	770 284
Net loss from fair value adjustment	**(302 131)**	(291 425)
Balance at the end of the year	**558 607**	478 859

* *Additions relates to the notional interest on subordinated loans as disclosed in note 42.*

41. INVESTMENT IN SUBSIDIARIES

	COMPANY	
Figures in R'000s	**2023**	**2022**
AMS		
Balance at the beginning of the year	**–**	–
Additions	**5 659**	–
Disposal	**–**	(24 504)
Fair value adjustment through other comprehensive income	**(5 659)**	24 504
Balance at the end of the year	**–**	–
Reconciled as follows:		
Cost	**345 211**	339 552
Net loss from fair value adjustment	**(345 211)**	(339 552)
ARF		
Balance at the beginning of the year	**1 329 591**	1 444 482
Additions	**42 624**	739
Fair value adjustment through other comprehensive income	**102 923**	(115 630)
Balance at the end of the year	**1 475 138**	1 329 591
Reconciled as follows:		
Cost	**1 122 033**	1 079 409
Net gain from fair value adjustment	**353 105**	250 182
	1 475 138	1 329 591

* *The cost of this investment is less than R1 000.*

Notes to the financial statements

41. INVESTMENT IN SUBSIDIARIES

	COMPANY	
Figures in R'000s	**2023**	**2022**
AWIC		
Balance at the beginning of the year	**6 212 235**	5 117 605
Additions	**223 893**	151 795
Fair value adjustment through other comprehensive income	**281 916**	942 835
Balance at the end of the year	**6 718 044**	6 212 235
Reconciled as follows:		
Cost	**4 832 655**	4 608 763
Net gain from fair value adjustment	**1 885 389**	1 603 472
Balance at the end of the year	**6 718 044**	6 212 235
Brooklyn Bridge		
Balance at the beginning of the year	**25 720**	30 199
Additions	**32 038**	5 598
Fair value adjustment through other comprehensive income	**(57 758)**	(10 077)
Balance at the end of the year	**–**	25 720
Reconciled as follows:		
Cost	**164 578**	132 540
Net loss from fair value adjustment	**(164 578)**	(106 820)
Balance at the end of the year	**–**	25 720
Harlequin Duck		
Balance at the beginning of the year	**1 533**	1 516
Fair value adjustment through other comprehensive income	**103**	17
Balance at the end of the year	**1 636**	1 533
Reconciled as follows:		
Cost*	**–**	–
Net gain from fair value adjustment	**1 636**	1 533
Balance at the end of the year	**1 636**	1 533

* *The cost of this investment is less than R1 000.*

41. INVESTMENT IN SUBSIDIARIES

	COMPANY	
Figures in R'000s	**2023**	**2022**
Lynnaur		
Balance at the beginning of the year	**92 886**	97 770
Additions	**1 897**	1 172
Fair value adjustment through other comprehensive income	**(31 206)**	(6 056)
Balance at the end of the year	**63 577**	92 886
Reconciled as follows:		
Cost	**55 977**	54 080
Net gain from fair value adjustment	**7 599**	38 806
Balance at the end of the year	**63 577**	92 886
Lynnwood Bridge		
Balance at the beginning of the year	**805 284**	756 897
Additions	**4 103**	3 031
Fair value adjustment through other comprehensive income	**(63 557)**	45 356
Balance at the end of the year	**745 830**	805 284
Reconciled as follows:		
Cost	**281 250**	277 147
Net gain from fair value adjustment	**464 580**	528 137
Balance at the end of the year	**745 830**	805 284

Notes to the financial statements

41. INVESTMENT IN SUBSIDIARIES

	COMPANY	
Figures in R'000s	2023	2022
Attacq Treasury Share Company		
Balance at the beginning of the year	6 224	31 456
Fair value adjustment through other comprehensive income	61 794	(25 232)
Balance at the end of the year	68 018	6 224
Reconciled as follows:		
Cost*	–	–
Net gain from fair value adjustment	68 018	6 224
Balance at the end of the year	68 018	6 224

* The cost of this investment is less than R1 000.

The fair value of investments in subsidiaries is determined with reference to the NAV of the underlying subsidiary.

The fair value of investments in subsidiaries are deemed to be Level 3 with the exception of Attacq Treasury Share Company (Level 1) as defined by IFRS 13: Fair Value Measurements.

The key driver of the NAV for the investments in subsidiaries is the investment property values which are disclosed in note 16 apart from AIHI which is investments in and loans to associates which are disclosed in note 17 and 19 and AMS which is operational profits and losses.

Notes to the financial statements

41. INVESTMENT IN SUBSIDIARIES

Figures in R'000s	2023				2022			
The assets, liabilities, revenue and total comprehensive income (loss) of the company's subsidiaries are as follows:	Assets	Liabilities	Revenue	Total comprehensive income (loss) for the year	Assets	Liabilities	Revenue	Total comprehensive income (loss) for the year
COMPANY								
Adamax	5 305	5 301	186	–	5 001	4 999	170	(1)
AIH International	566 621	8 012	–	(86 863)	483 776	4 917	–	86 927
AIM	978 807	545	–	240 371	2 370 811	1 041	–	289 631
AMS	57 699	321 666	178 472	(53 503)	39 183	261 958	167 933	(48 666)
ARS	33	(2)	–	2	30	(3)	–	–
ARF	4 143 015	2 667 873	515 074	162 015	4 062 437	2 732 853	472 761	(110 454)
AWIC	14 823 866	8 105 837	1 416 291	501 807	15 818 845	9 606 608	1 368 041	1 122 735
Attacq Ellipse	130 607	79 939	–	473	133 780	89 252	–	47 931
Brooklyn Bridge	319 270	337 440	44 090	(72 428)	382 556	356 838	48 274	7 319
Harlequin Duck	1 583	–	–	46	1 532	–	–	17
Lynnaur	530 348	466 771	87 059	(20 114)	584 797	491 914	84 896	30 141
Lynnwood Bridge	1 702 271	956 438	257 949	(23 912)	1 824 439	1 019 150	250 064	79 335
Attacq Treasury Share Company	141 291	73 274	–	61 794	92 691	86 468	–	(25 232)

Refer to note 40 for the interest in direct subsidiaries.

Additions relate to below market interest rate loans offered by parent company to subsidiary which are deemed non-cash.

Notes to the financial statements

42. LOANS TO (FROM) SUBSIDIARIES

Figures in R'000s				2023			2022		
COMPANY	Repayment date	Stage of credit impairment	Interest rate	Loan amount	ECL	Total	Loan amount	ECL	Total
AMS@	On demand	Stage 3	None	290 581	(290 581)	–	223 305	(223 305)	–
ARF^	On demand	Stage 1	None	448 754	(281)	448 473	498 017	(248)	497 769
AWIC*	On demand	Stage 1	None	2 315 494	(724)	2 314 770	2 840 810	(1 809)	2 839 001
Attacq Treasury Share Company@	On demand	Stage 1	None	73 274	(176)	73 098	86 468	(275)	86 193
Brooklyn Bridge*	On demand	Stage 1	None	313 151	(1 700)	311 451	89 865	(1 410)	88 455
Lynnaur*	On demand	Stage 1	None	10 859	(140)	10 719	23 114	(248)	22 866
Lynnwood Bridge*	On demand	Stage 1	None	3 180	(2)	3 178	45 976	(21)	45 955
Total				3 455 293	(293 604)	3 161 689	3 807 555	(227 316)	3 580 239
Loans to subsidiaries						3 161 689			3 580 239
Non-current						–			–
Current						3 161 689			3 580 239
Loans from subsidiaries						–			–
Non-current						–			–
Current						–			–
Total						3 161 689			3 580 239

* *These loans have been subordinated for 15 months effective 30 September 2022 (2022: 15 months effective 30 September 2021). The amounts reflected, taking into account the terms of the subordination, is the present value of the loans discounted back at the average cost of borrowing in the underlying entity.*

^ *This loan have been subordinated for 15 months effective 30 September 2022. (2022: 20 months effective 31 May 2021). The amounts reflected, taking into account the terms of the subordination, is the present value of the loans discounted back at the average cost of borrowing in the underlying entity.*

@ *These loans have been subordinated effective 30 September 2022 (2022: 30 September 2021). The subordination shall lapse the earlier off the companies current assets exceeding its current liabilities or 12 months.*

The ECL of R290.6 million (2022: R223.3 million) was recognised for the loan to AMS. This was as a result AMS being loss making historically and the probability of AMS becoming profitable in the near future.

The ECL of R0.7 million (2022: R1.8 million) was recognised for the loan to AWIC based on the PD and the LGD is based on the present value of the NAV when realised over time.

The other ECLs of R2.3 million (2022: R2.2 million) were recognised based on a discounted PD and LGD.

The fair value of loans to (from) subsidiaries are deemed to be Level 3 as defined by IFRS 13: Fair Value Measurements.

Notes to the financial statements

42. LOANS TO (FROM) SUBSIDIARIES

The carrying amounts of the balances are deemed by the directors to approximate their fair values. The fair value of balances are determined with reference to the carrying value and the NAV of the underlying investments. ECLs were recognised by considering on, a discounted basis, the cash shortfalls which would be incurred in a default scenario for prescribed future periods and multiplying the shortfalls by the probability of the scenario occurring.

	2023				
Movement in ECL	**Opening ECL**	**ECL raised**	**ECL realised**	**ECL reversed**	**Closing ECL**
AMS@	(223 305)	(67 276)	–	–	(290 581)
ARF^	(248)	(33)	–	–	(281)
AWIC*	(1 809)	–	–	1 085	(724)
Attacq Treasury Share Company@	(275)	–	–	99	(176)
Brooklyn Bridge*	(1 410)	(290)	–	–	(1 700)
Lynnaur*	(248)	–	–	108	(140)
Lynnwood Bridge*	(21)	–	–	19	(2)
	(227 316)	(67 599)	–	1 311	(293 604)

Movement in ECL	2022				
AMS@	(153 715)	(69 590)	–	–	(223 305)
ARF^	(1 208)	–	–	960	(248)
AWIC*	(19 929)	–	–	18 120	(1 809)
AIH International (Euro)	(618 730)	(266 699)	885 429	–	–
Attacq Treasury Share Company@	(1 678)	–	–	1 403	(275)
Brooklyn Bridge*	(1 641)	–	–	231	(1 410)
Lynnaur*	(186)	(62)	–	–	(248)
Lynnwood Bridge*	(114)	–	–	93	(21)
	(797 201)	(336 351)	885 429	20 807	(227 316)

Supplementary information

Property portfolio detail			2023				
Multi/single tenanted	Property	Province	Valuation R'000	GLA m^2	GMR R	GMR R/m^2	Vacancy m^2
Retail-experience hubs			9 293 020	308 507			12 606
Multi	Glenfair Boulevard Shopping Centre	Gauteng	395 311	16 521	5 165 417	240	532
Multi	Lynnwood Bridge Retail	Gauteng	256 599	12 241	4 417 250	201	603
Multi	Garden Route Mall	Western Cape	1 358 843	53 970	14 731 417	196	93
Multi	Brooklyn Mall#	Gauteng	443 093	18 813	5 760 250	267	2 000
Multi	Mooirivier Mall	North West	1 181 944	50 438	12 617 500	191	3 029
Multi	Eikestad Mall Precinct^	Western Cape	843 050	38 279	10 243 667	189	1 189
Multi	Waterfall - Mall of Africa^	Gauteng	4 480 441	103 958	43 967 667	315	4 556
Multi	Waterfall - Waterfall Corner	Gauteng	230 506	10 008	3 167 417	209	604
Single	Waterfall - Waterfall Lifestyle	Gauteng	103 233	4 279	1 760 667	266	–
Collaboration hubs[1]			6 011 218	268 975			43 186
Multi	Brooklyn Bridge Office Park	Gauteng	297 581	23 528	3 783 833	166	7 670
Multi	Lynnwood Bridge Offices	Gauteng	743 533	27 227	10 069 000	304	1 234
Single	Lynnwood Bridge -Auditor General	Gauteng	523 084	19 104	@	@	–
Single	Waterfall - Cell C Campus	Gauteng	723 614	43 962	@	@	4 920
Single	Waterfall - Waterfall Circle	Gauteng	304 247	24 354	@	@	24 354
Multi	Waterfall - Maxwell Office Park*	Gauteng	395 651	18 492	5 413 250	219	268
Multi	Waterfall - Allandale Building	Gauteng	264 064	15 476	3 687 667	202	1 990
Single	Waterfall - PwC Tower and PwC Annex**	Gauteng	1 404 153	36 461	@	@	–
Multi	Waterfall - Gateway West Building	Gauteng	317 396	13 803	4 643 833	260	448
Multi	Waterfall - Corporate Campus*	Gauteng	418 729	17 458	5 453 500	241	454
Single	Waterfall - Ingress PSG	Gauteng	112 839	4 311	@	@	–
Multi	Waterfall - Ingress Building 2	Gauteng	76 535	4 395	693 083	194	–
Multi	Waterfall - Nexus - Building 1	Gauteng	140 236	7 252	1 172 667	211	1 848
Multi	Waterfall - Waterfall Point Building 2	Gauteng	54 912	2 585	827 667	223	–
Single	Waterfall - Waterfall Point Building 4	Gauteng	68 199	2 585	@	@	–
Single	Waterfall - Novartis	Gauteng	166 444	7 982	@	@	–

Supplementary information

Property portfolio detail			2023				
Multi/single tenanted	**Property**	**Province**	**Valuation R'000**	**GLA m^2**	**GMR R**	**GMR R/m^2**	**Vacancy m^2**
Logistics hubs[2]			1 744 413	143 603			
Single	Waterfall - Amrod[$]	Gauteng	210 902	18 969	@	@	–
Single	Waterfall - BMW	Gauteng	309 544	31 987	@	@	–
Single	Waterfall - Cotton On[$]	Gauteng	106 706	10 374	@	@	–
Single	Waterfall - Cummins*	Gauteng	123 053	7 649	@	@	–
Single	Waterfall - Dimension Data	Gauteng	105 971	8 291	@	@	–
Single	Waterfall - Dischem	Gauteng	92 243	8 518	@	@	–
Single	Waterfall - Massbuild Distribution Centre[$]	Gauteng	229 768	25 017	@	@	–
Single	Waterfall - GloTool	Gauteng	56 773	5 262	@	@	–
Single	Waterfall - Pirtek	Gauteng	33 525	2 816	@	@	–
Single	Waterfall - Superga warehouse	Gauteng	55 696	4 710	@	@	–
Single	Waterfall - Midi warehouse 4	Gauteng	55 151	4 603	@	@	–
Single	Waterfall - Plumblink*	Gauteng	77 069	7 576	@	@	–
Single	Waterfall - Vantage Data centre	Gauteng	252 981	5 781	@	@	–
Single	Waterfall - Zimmer Biomet*	Gauteng	35 031	2 050	@	@	–
Hotel[3]			576 080	20 405			
Single	Waterfall - City Lodge	Gauteng	105 643	5 744	@	@	–
Single	Waterfall - Courtyard	Gauteng	216 685	6 715	@	@	–
Single	Lynnwood Bridge City Lodge	Gauteng	253 753	7 946	@	@	–
Developments under construction			43 140	14 641			
Single	Waterfall -Midi units logistics development	Gauteng	43 140	14 641	@	@	–

*# 25.0% share, * 50.0% share, ** 75.0% share, ^ 80.0% share, $ Classified, in part or wholly, as held for sale (note 28)*

1 Single-tenanted collaboration hubs weighted average rental rate of R267.0/m2 (2022: R201.0/m2)

2 Single-tenanted logistics hubs weighted average rental rate of R108.0/m^2 (2022: R116.0/m^2)

3 Single-tenanted hotel segment weighted average rental rate of R271.0/m^2 (2022: R240.0/m^2)

@ Single-tenanted properties

Supplementary information

Property portfolio detail			2022				
Multi/single tenanted	Property	Province	Valuation R'000	GLA m^2	GMR R	GMR R/m^2	Vacancy m^2
Retail-experience hubs			8 932 983	309 996			10 882
Multi	Glenfair Boulevard Shopping Centre	Gauteng	405 162	16 410	3 796 398	241	636
Multi	Lynnwood Bridge Retail	Gauteng	248 693	11 638	2 436 188	209	8
Multi	Garden Route Mall	Western Cape	1 339 818	53 973	10 196 339	189	16
Multi	Brooklyn Mall#	Gauteng	483 313	18 782	4 056 079	237	1 652
Multi	Mooirivier Mall	North West	1 155 490	50 383	9 254 538	188	1 235
Multi	Eikestad Mall Precinct^	Western Cape	828 735	38 323	6 828 166	185	1 344
Multi	Waterfall - Mall of Africa^	Gauteng	4 132 901	103 445	29 080 556	296	5 235
Multi	Waterfall - Waterfall Corner	Gauteng	216 841	9 903	1 808 784	198	756
Multi	Waterfall - Waterfall Lifestyle	Gauteng	122 030	7 139	1 287 719	180	-
Collaboration hubs[1]			6 382 753	268 992			47 333
Multi	Brooklyn Bridge Office Park	Gauteng	364 663	23 487	2 797 328	176	7 575
Multi	Lynnwood Bridge Offices	Gauteng	827 032	27 225	7 527 745	292	1 479
Single	Lynnwood Bridge -Auditor General	Gauteng	557 764	19 104	@	@	–
Multi	Waterfall - Cell C Campus	Gauteng	750 948	43 890	7 030 351	160	–
Single	Waterfall - Waterfall Circle	Gauteng	399 740	24 354	–	–	24 354
Multi	Waterfall - Maxwell Office Park*	Gauteng	415 730	18 469	3 523 178	221	2 498
Multi	Waterfall - Allandale Building	Gauteng	300 065	15 476	2 449 555	242	5 339
Single	Waterfall - PwC Tower and PwC Annex**	Gauteng	1 387 154	36 461	@	@	–
Multi	Waterfall - Gateway West Building	Gauteng	337 567	13 803	3 363 005	244	–
Multi	Waterfall - Corporate Campus*	Gauteng	423 309	17 457	3 684 122	226	1 131
Single	Waterfall - Ingress PSG	Gauteng	117 779	4 311	@	@	–
Multi	Waterfall - Ingress Building 2	Gauteng	72 886	4 395	512 356	179	1 531
Multi	Waterfall - Nexus - Building 1	Gauteng	124 714	7 252	724 636	189	3 426
Multi	Waterfall - Waterfall Point Building 2	Gauteng	51 790	2 663	536 670	202	–
Single	Waterfall - Waterfall Point Building 4	Gauteng	66 669	2 663	@	@	–
Single	Waterfall - Novartis	Gauteng	184 944	7 982	@	@	–

Supplementary information

Property portfolio detail			2022				
Multi/single tenanted	**Property**	**Province**	**Valuation R'000**	**GLA m^2**	**GMR R**	**GMR R/m^2**	**Vacancy m^2**
Logistics hubs[2]			1 589 283	136 027			
Single	Waterfall - Amrod[$]	Gauteng	202 084	18 969	@	@	–
Single	Waterfall - BMW	Gauteng	285 262	31 987	@	@	–
Single	Waterfall - Cotton On[$]	Gauteng	92 242	10 374	@	@	–
Single	Waterfall - Cummins*	Gauteng	121 018	7 649	@	@	–
Single	Waterfall - Dimension Data	Gauteng	103 800	8 291	@	@	–
Single	Waterfall - Dischem	Gauteng	82 195	8 518	@	@	–
Single	Waterfall - Massbuild Distribution Centre[$]	Gauteng	221 601	25 017	@	@	–
Single	Waterfall - GloTool	Gauteng	54 180	5 262	@	@	–
Single	Waterfall - Pirtek	Gauteng	31 450	2 816	@	@	–
Single	Waterfall - Superga warehouse	Gauteng	53 810	4 710	@	@	–
Single	Waterfall - Midi warehouse 4	Gauteng	51 250	4 603	@	@	–
Single	Waterfall - Vantage Data centre	Gauteng	256 661	5 781	@	@	–
Single	Waterfall - Zimmer Biomet*	Gauteng	33 730	2 050	@	@	–
Hotel[3]			595 674	20 405			
Single	Waterfall - City Lodge	Gauteng	108 039	5 744	@	@	–
Single	Waterfall - Courtyard	Gauteng	215 216	6 715	@	@	–
Single	Lynnwood Bridge City Lodge	Gauteng	272 420	7 946	@	@	–
Developments under construction							
Single	Waterfall -Plumblink*	Gauteng	70 905	7 471	@	@	–

*# 25.0% share, * 50.0% share, ** 75.0% share, ^ 80.0% share, $ Classified, in part or wholly, as held for sale (note 28)*
1 Single-tenanted collaboration hubs weighted average rental rate of R201.0/m^2 (2021: R223.0/m^2)
2 Single-tenanted logistics hubs weighted average rental rate of R116.0/m^2 (2021: R83.0/m^2)
3 Single-tenanted hotel segment weighted average rental rate of R246.0/m^2 (2021: R256.0/m^2)
@ Single-tenanted properties

Supplementary information

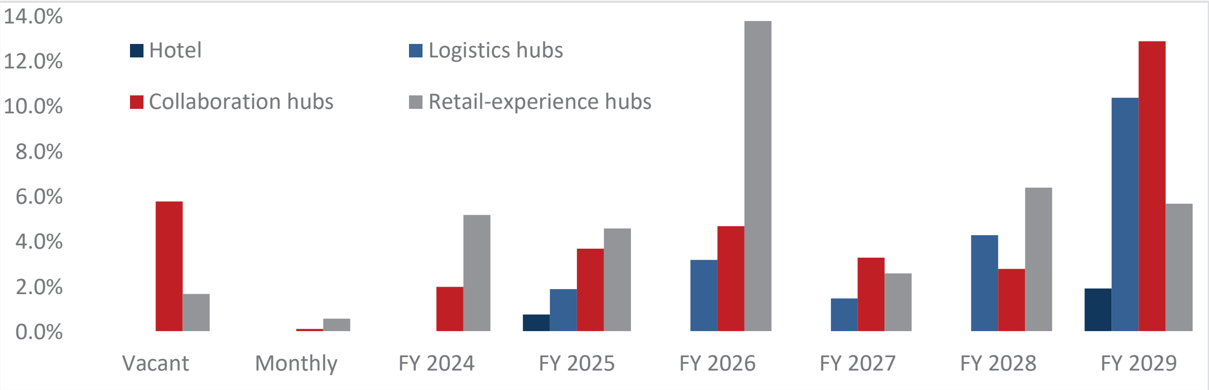
Analysis of tenant base	2023 % of GLA	2023 GLA (m^2)*	2023 Number of tenants	2022 % of GLA	2022 GLA (m^2)*	2022 Number of tenants
Retail-experience hubs						
Category A tenants	71%	204 694	295	69%	202 189	280
Category B tenants	17%	49 048	177	18%	53 355	194
Category C tenants	12%	34 663	363	13%	36 715	342
Total	100%	288 405	835	100%	292 259	816
Collaboration hubs						
Category A tenants	81%	176 911	72	82%	175 852	70
Category B tenants	15%	33 336	24	16%	34 287	25
Category C tenants	4%	9 390	24	2%	4 803	21
Total	100%	219 637	120	100%	214 942	116
Logistics hubs						
Category A tenants	75%	118 283	10	64%	96 621	8
Category B tenants	25%	39 406	5	36%	53 420	6
Total	100%	157 689	15	100%	150 041	14
Hotel						
Category A tenants	100%	19 967	3	100%	19 963	3
Total	100%	19 967	3	100%	19 963	3

* Occupied rentable area

Supplementary information

Rental escalations	2023 %	2022 %
Retail-experience hubs	6.5%	6.5%
Collaboration hubs	7.3%	7.2%
Logistics hubs	6.4%	6.4%
Hotel	7.0%	7.0%

Lease expiry by sector (% of GLA)



Supplementary information

FUNDS FROM OPERATIONS

Reconciliation of profit for the year to funds from operations

	GROUP	
Figures in R'000s	**2023**	**2022**
Profit per IFRS statement of comprehensive loss attributable to the parent	**520 286**	1 179 560
Adjusted for:		
Accounting/specific adjustments:		
Fair value adjustments to:		
• Investment property	**4 277**	(254 975)
• Debt and equity instruments held at FVPL	**(86 160)**	(392 449)
Depreciation of an administrative nature and amortisation of intangible assets	**4 033**	4 721
Asset impairments, ECLs and reversals of impairments		
• Net impairment and ECL of associates, other investments and loans	**65 689**	(25 409)
• ECL on guarantees	**(203)**	(15 839)
Deferred tax movement recognised in profit or loss	**69 272**	151 540
Derecognition gain on IFRS 16	**(157)**	–
Straight-line lease income adjustments	**(760)**	(64 624)
Adjustment arising from investing activities:		
Gains and losses on disposal of:		
• Loss on disposal of investment property	**885**	(14 369)
• Profit from sectional title units	**(25 590)**	(65 996)
• Profit on disposal of other assets	**(800)**	–
Foreign exchange and hedging items:		
• Amortisation of interest rate cap	**(7 045)**	(164)
• Foreign exchange gains or losses relating to capital items - realised and unrealised	**(210)**	(79 379)
Other adjustments:		
Adjustments made for equity-accounted entities	**77 500**	19 002
SA REIT FFO	**621 017**	441 620
Number of shares outstanding at end of period (net of treasury shares)		
• Number of shares in issue*	**705 123 739**	705 123 739
• Weighted average number of shares in issue*	**705 123 739**	705 123 739
• Diluted weighted average number of shares in issue*	**718 128 308**	714 427 113

	GROUP	
Figures in R'000s	**2023**	**2022**
SA REIT FFO per share (cents)		
• Basic (cents)	**88.1**	62.6
• Basic weighted (cents)	**88.1**	62.6
• Diluted (cents)	**86.5**	61.8
Company-specific adjustments:		
Non-cash income from associates - Africa	**1 772**	8 449
Non-cash income from associates - SA portfolio	**(52)**	(3 716)
Adjustment for Cell C, expected credit loss for rental not received in cash	**(55 017)**	(10 944)
Depreciation in respect of property operations and amortisation of letting commission and tenant installations	**6 278**	15 882
Interest on lease liability	**23 494**	21 919
Rental paid	**(52 717)**	(48 193)
Net non-cash property owners association income	**2 006**	2 624
Lease cancellation fee	**982**	14 947
Prescribed utility accruals	**(20 290)**	–
Unsustainable and non-cash interest	**(20 646)**	–
Distributable income	**506 829**	442 587
Distributable income per share (cents)		
• Basic (cents)	**71.9**	62.8
• Basic weighted (cents)	**71.9**	62.8
• Diluted (cents)	**70.6**	61.9
Dividends - 80.7% pay out ratio (June 2022: 79.7%)	**408 972**	352 562
Interim	**204 486**	–
Final	**204 486**	352 562
Dividend per share (cents) - 80.7% pay out ratio (June 2022: 79.7%)	**58.0**	50.0
Interim	**29.0**	–
Final	**29.0**	50.0

* Adjusted for 46 427 553 treasury shares (2022: 46 427 553)

Supplementary information

RECONCILIATION BETWEEN CASH FROM OPERATING ACTIVITIES AND FUNDS FROM OPERATIONS

	GROUP	
Figures in R'000s	**2023**	**2022**
Net cash generated from operating activities	**686 483**	612 132
Adjusted for working capital movements	**(72 627)**	(63 724)
(Decrease) Increase in accounts receivable	**(14 400)**	125 203
Decrease in inventory	**(33 692)**	(167 502)
Increase in accounts payable	**(24 535)**	(21 425)
Net cash generated from operating activities adjusted for working capital movements	**613 856**	548 408
Bad debt written off and ECLs on trade and other receivables	**56 647**	(40 744)
Difference between interest accrued and interest paid	**(108)**	7 937
Share-based payments	**(16 491)**	11 161
Net proceeds from the sale of sectional-title units	**(26 354)**	(65 996)
Lease cancellation fee	**982**	14 947
Prescribed utility accruals	**(20 290)**	–
Adjustment for Cell C, expected credit loss for rental not received in cash	**(55 017)**	(10 944)
Amortisation of interest rate cap	**(7 045)**	(164)
Difference between taxation accrued and taxation paid	**(2 101)**	923
Finance cost capitalised	**2 531**	782
Capital repayment of lease liability	**(29 619)**	(26 575)
Net income from property owners association not distributable	**2 006**	2 624
Dividend income from associates	**(11 708)**	–
Other movements	**(460)**	228
Distributable income	**506 829**	442 587

Figures in R'000s	**2 023**	**2 022**
SA REIT net asset valuer (NAV) per share		
Reported NAV attributable to parent	**12 443 160**	12 329 135
Adjustments:		
Dividends to be declared	**(408 972)**	(352 562)
Fair value of derivative financial instruments	**(45 576)**	45 257
Deferred tax	**268 930**	199 656
SA REIT NAV	**12 257 542**	12 221 486
Number of shares outstanding at end of period (net of treasury shares)		
Number of shares in issue*	**705 123 739**	705 123 739
Effect of dilutive instruments (options, convertibles and equity interests)	**13 004 569**	9 303 374
Diluted number of shares in issue*	**718 128 308**	714 427 113
SA REIT NAV per share (Rand)	**17.07**	17.11
* *Adjusted for 46 427 553 treasury shares*		
SA REIT cost-to-income ratio		
Expense		
Operating expenses per IFRS income statement (includes municipal expenses)	**824 100**	822 232
Administrative expenses per IFRS income statement	**192 265**	190 094
Exclude		
Depreciation expense in relation to property, plant and equipment of an administrative nature and amortisation expense in respect of intangible assets	**(4 033)**	(4 721)

Supplementary information

Figures in R'000s	2 023	2 022
Operating costs	**1 012 332**	1 007 605
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**1 761 671**	1 659 351
Utility and operating recoveries per IFRS income statement	**570 579**	512 833
Gross rental income	**2 332 250**	2 172 184
SA REIT cost-to-income ratio (%)	**43.4**	46.4
SA REIT administrative cost-to-income ratio		
Expense		
Administrative expenses per IFRS income statement	**192 265**	190 094
Administrative costs	**192 265**	190 094
Rental income		
Contractual rental income per IFRS income statement (excluding straight-lining)	**1 761 671**	1 659 351
Utility and operating recoveries per IFRS income statement	**570 579**	512 833
Gross rental income	**2 332 250**	2 172 184
SA REIT administrative cost-to-income ratio (%)	**8.2**	8.8

Figures in R'000s	2 023	2 022
SA REIT loan to value (LTV)		
Gross debt	**8 384 893**	8 281 402
Adjustments:		
Cash and cash equivalents	**(606 534)**	(604 224)
Derivative financial instruments	**(45 576)**	45 257
Net debt	**7 732 783**	7 722 435
Total assets	**21 839 867**	21 626 282
Adjustments:		
Cash and cash equivalents	**(606 534)**	(604 224)
Derivative financial assets	**(47 990)**	(32 209)
Trade and other receivables	**(197 546)**	(232 363)
Carrying amount of property-related assets	**20 987 797**	20 757 486
SA REIT LTV (%)	**36.8**	37.2
SA REIT net initial yield		
Investment property	**18 732 928**	18 664 914
Less:		
Properties under development	**(43 164)**	(31 419)
Leasehold land	**(826 347)**	(905 528)
Grossed up property value	**17 863 417**	17 727 967
Property income		
Contractual cash rentals	**1 799 778**	1 680 768
Add:		
Notional rent for rent-free periods, discounted rentals, stepped rentals and lease incentives	**-**	-
Less:		
Non-recoverable property expenses	**(376 912)**	(357 590)
Annualised net rental	**1 422 866**	1 323 178
Net initial yield (%)	**8.0**	7.5
SA REIT GLA vacancy rate		
Gross lettable area of vacant space	**58 553**	58 215
Gross lettable area of total property portfolio	**735 792**	735 240
SA REIT GLA vacancy rate (%)	**8.0**	7.9

Supplementary information

	30 June 2023		30 June 2022	
SA REIT Cost of Debt	**Rand**	**Total**	**Rand**	**Total**
Variable interest-rate borrowings				
Floating interest rate plus weighted average margin	5.9	5.9	7.0	7.0
Fixed interest-rate borrowings				
Weighted average fixed rate	10.5	10.5	10.5	10.5
Pre-adjusted weighted average cost of debt	6.0	6.0	7.1	7.1
Adjustments:				
Impact of interest rate derivatives	3.5	3.5	2.3	2.3
Interest of cross-currency interest rate swaps	-	-	-	-
Amortised transaction costs imputed into the effective interest rate	0.1	0.1	0.1	0.1
All-in weighted average cost of debt	9.6	9.6	9.5	9.5

SHAREHOLDER INFORMATION

Beneficial shareholders holding 5.0% or more of Attacq's issued share capital:

	At 30 June 2023		At 30 June 2022	
Number of shares	**Shares held**		**Shares held**	
Coronation	138 214 020	18.4%	121 887 946	16.2%
GEPF	104 906 062	14.0%	72 024 839	9.6%
Ninety One	27 873 381	3.7%	44 054 058	5.9%
Total	270 993 463	36.1%	237 966 843	31.7%

Beneficial shareholder spread

	At 30 June 2023			At 30 June 2022		
	Number	**Shares held**		**Number**	**Shares held**	
Non-public	11	292 736 741	39.0%	10	171 504 605	22.8%
> 10.0%	2	243 120 082	32.3%	1	121 887 946	16.2%
Treasury shares	2	46 427 553	6.2%	2	46 427 553	6.2%
Directors and associates	7	3 189 106	0.4%	7	3 189 106	0.4%
Public	7 784	458 814 551	61.0%	8 340	580 046 687	77.2%
Total	7 795	751 551 292	100.0%	8 350	751 551 292	100.0%

Summary of trading in Attacq shares

	30 June 2023	30 June 2022
Number of trades	44 138	54 317
Total number of shares traded	237 652 833	258 799 939
Total value of shares traded (R'000)	1 840 456	1 748 897
Closing high (R)	9.15	7.99
Closing low (R)	5.37	5.34
Closing price (R)	8.46	5.55