

BUILDING COMMUNITIES,
GROWING VALUE.

CONSOLIDATED
FINANCIAL
STATEMENTS OF
VUKILE PROPERTY
FUND LIMITED
(THE COMPANY)
AND ITS
SUBSIDIARIES
(TOGETHER THE
GROUP)

T W E N T Y

as at 31 March 2024
(the consolidated financial
statements)

2024

T W E N T Y T W E N T Y F O U R

BUILDING COMMUNITIES, GROWING VALUE.

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CORPORATE PROFILE

Vukile Property Fund Limited (Vukile, the company or the group) is a high-quality, low-risk and retail-focused Real Estate Investment Trust (REIT), which listed on the JSE Limited on 24 June 2004 (JSE code: VKE) and on the Namibian Stock Exchange (NSX) on 11 July 2007 (NSX code: VKN). Vukile's market capitalisation was R16.7 billion on 31 March 2024 and its direct property portfolio was valued at R36.6 billion. There were 1 104 719 779 shares in issue at year-end.

Directors' responsibility statement

The audited consolidated financial statements for the year ended 31 March 2024, set out on pages 17 to 102 of these consolidated financial statements and the directors' report on pages 8 to 12, are the responsibility of the directors. The directors are responsible for selecting and adopting sound accounting practices, for maintaining an adequate and effective system of accounting records, for the safeguarding of assets, and for developing and maintaining a system of internal controls that, among other things, will ensure the preparation of financial statements that achieve fair presentation.

The directors of the company are responsible for the controls over, and the security of the website and, where applicable, for establishing and controlling the process for electronically distributing integrated annual reports and other financial information to shareholders and to the Companies and Intellectual Property Commission.

After conducting appropriate procedures, the directors are satisfied that the group will be a going concern for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements. The annual financial statements were approved by the directors and are signed on their behalf by:



Nigel Payne
Chairman



Laurence Rapp
Chief Executive
Officer

Houghton Estate
5 June 2024

Company Secretary's certification

Declaration by the Company Secretary in respect of section 88(2)(e) of the Companies Act, 71 of 2008, as amended (Companies Act)

I declare that, to the best of my knowledge, the company has lodged with the Companies and Intellectual Property Commission all such returns as required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



Johann Neethling
Group Company Secretary

Houghton Estate
5 June 2024

The annual financial statements have been audited by PricewaterhouseCoopers Inc. (PwC) in compliance with the applicable requirements of the Companies Act of South Africa, 2008 and the JSE Listings Requirements. The annual financial statements were compiled under the supervision of Lizelle Pottas CA(SA), the Financial Director (FD) of the company.

Chief Executive Officer and Financial Director sign-off

Each of the directors, whose names are stated below, hereby confirm that:

- (a) the annual financial statements set out on pages 17 to 102, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS[®] Accounting Standards
- (b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading
- (c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer
- (d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls
- (e) where we are not satisfied, we have disclosed to the audit committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have remediated the deficiencies
- (f) we are not aware of any fraud involving directors.



Laurence Rapp
Chief Executive Officer



Lizelle Pottas
Financial Director

Houghton Estate
5 June 2024

Independent auditor's report

TO THE SHAREHOLDERS OF VUKILE PROPERTY FUND LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OUR OPINION

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Vukile Property Fund Limited (the company) and its subsidiaries (together the group) as at 31 March 2024, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

WHAT WE HAVE AUDITED

Vukile Property Fund Limited's consolidated and separate financial statements set out on pages 17 to 102 comprise:

- the consolidated and separate statements of financial position as at 31 March 2024
- the consolidated and separate statements of profit or loss for the year then ended
- the consolidated and separate statements of comprehensive income for the year then ended
- the consolidated and separate statements of changes in equity for the year then ended
- the consolidated and separate statements of cash flow for the year then ended and
- the notes to the financial statements, including material accounting policy information

OUR AUDIT APPROACH

Overview



Overall group materiality

- Overall group materiality: R239 million, which represents 1% of consolidated net assets

Group audit scope

- The group consists of three components (including the company), that directly or indirectly own the properties
- Full scope audits were performed on all components

Key audit matters

- Valuation of investment property

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

INDEPENDENCE

We are independent of the group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

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C S Masondo – National Assurance Leader

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.

Independent auditor's report *continued*

MATERIALITY

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall group materiality	R239 million
How we determined it	1% of consolidated net assets
Rationale for the materiality benchmark applied	<p>We chose consolidated net assets as the benchmark because, in our view, it is the benchmark against which the performance of the group is commonly measured by users.</p> <p>Although the entity is profit-orientated, its strategic focus is to deliver long-term shareholder returns through the acquisition and development of investment property. In addition, the loan to value ratio (value of loans compared to the value of assets) is a key metric used to monitor position of the group. We chose 1% which is consistent with quantitative materiality thresholds used for entities in this sector.</p>

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

The group owns properties throughout South Africa and Spain, which are managed via three components, Vukile Property Fund Limited, MICC Properties (Pty) Ltd and Castellana Properties SOCIMI SA. Full scope audits were performed on all three components. The South African operations were audited by the group engagement team, while the Spanish operations were audited by a component audit team.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us, as the group engagement team, and component auditors from other PwC network firms operating under our instruction.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole.

Independent auditor's report continued

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.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>VALUATION OF INVESTMENT PROPERTY</p> <p>This key audit matter relates to both the consolidated and separate financial statements.</p> <p>Refer to notes 3 and 23.4 within the consolidated and separate financial statements for disclosures on investment property.</p> <p>The majority of the company and group's investment property comprises retail investment properties. The total carrying amount of the portfolio, (excluding the straight-line rental income accrual), was R13.79 billion and R36.58 billion for the company and group respectively for the year ended 31 March 2024.</p> <p>The measurement of fair value of investment properties is dependent on the valuation techniques applied and the inputs into the valuation model. The company and group has applied the discounted cash flow method which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields.</p> <p>External property valuers were engaged by management to value the Spanish portfolio. Internal valuations were performed by management on the South African portfolio. Management further engaged external property valuers to value a sample of the South African portfolio.</p> <p>Inputs into the valuation model include estimated rental income streams, operating costs and capital expenditure. The estimated rental stream takes into account current occupation levels, estimated future vacancy levels, the terms of in-place leases and expectations of rentals from future leases over the remaining economic life of the buildings.</p> <p>The most significant assumptions used in determining the fair values are the:</p> <ul style="list-style-type: none"> • Reversionary capitalisation rates; and • Discount rates <p>We considered the valuation of investment properties as a matter of most significance to our current year audit due to:</p> <ul style="list-style-type: none"> • The judgements required in determining the fair values; and • The magnitude of the investment property balances at year-end 	<p>We obtained the valuation reports prepared by management as at 31 March 2024 for the South African portfolio, as well as the valuation reports obtained by management from the external property valuers for the Spanish portfolio.</p> <p>For the South African portfolio, we obtained an understanding of and tested the relevant controls over the internal valuations including:</p> <ul style="list-style-type: none"> • Entering into and amending of lease contracts underlying contractual rental income • Setting and approval of estimated rental streams, operating costs, discount rates and the capitalisation rates • Comparison of external valuation results to management's internal valuations; and • Board approval of the valuations obtained <p>For both South African and Spanish portfolios, we evaluated the objectivity, independence and expertise of the external valuers by inspecting their valuation reports for a statement of independence and compliance with generally accepted valuation standards. No exceptions were noted.</p> <p>For a sample of the South African and Spanish properties, we independently tested the calculation of the fair values in the management and external valuers' valuation reports by performing the following procedures, with no material exceptions noted:</p> <ul style="list-style-type: none"> • Utilised our internal valuation expertise to assess the appropriateness of the valuation methodology and assumptions used and noted it to be consistent with industry norms • Assessed the reasonableness of the assumptions including the reversionary capitalisation rates, the discount rates applied by management against market-related data for similar investment properties • We performed a reasonability assessment on a risk-based sample of properties based on industry benchmarks referred to above, and noted them to be within a reasonable range • Tested management's forecasts with respect to rental income, operating costs and capital expenditure, by comparing these assumptions to management's approved budgets, available market information and existing lease contracts • Independently recalculated the accuracy of the management valuations • Inspected the final management and external valuation reports and agreed the fair value to the group's accounting records; and • Assessed the disclosures in the financial statements, which include the sensitivity analysis, using our understanding obtained from our testing

Independent auditor's report continued

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled "Consolidated financial statements of Vukile Property Fund Limited (the company) and its subsidiaries (together the group) as at 31 March 2024 (the consolidated financial statements)" which includes the directors' report, the Audit and risk committee report and the Company Secretary's certification as required by the Companies Act of South Africa, which we obtained prior to the date of this auditor's report and the document titled "Vukile 2024 Integrated Annual Report", which is expected to be made available to us after that date. The 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 and will 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 that we 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 IFRS Accounting 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 the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and/or the 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's and the company's internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors

Independent auditor's report continued

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion

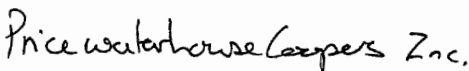
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

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 PricewaterhouseCoopers Inc. has been the auditor of Vukile Property Fund Limited for six years.



PricewaterhouseCoopers Inc.

Director: F.J Kruger
Registered Auditor

Johannesburg
South Africa

5 June 2024

Directors' report

The directors have pleasure in submitting the 20th directors' report, which forms part of the annual financial statements of the group for the year ended 31 March 2024.

Vukile was listed on 24 June 2004 with a market capitalisation of approximately R1.03 billion. The market capitalisation of the company as at 31 March 2024 was R16.7 billion (31 March 2023: R12.2 billion.)

SUMMARY OF FINANCIAL PERFORMANCE AND DIVIDENDS

The information presented for the year ended 31 March 2024 has been prepared in accordance with IFRS and the group's accounting policies. The presentation of the results also complies with the relevant sections of the Companies Act and the JSE Listings Requirements. The annual financial statements have been audited by PwC.

The board declared a final dividend for the year ended 31 March 2024 of 72.17501 cents per share and an interim dividend of 52.07420 cents per share for the six months ended 30 September 2023.

The company's use of funds from operation (FFO) per share and dividend per share as relevant measures of results for trading statement purposes remains unchanged from the prior year.

NATURE OF BUSINESS

Vukile is a property holding and investment company through the direct and indirect ownership of investment property in South Africa and Spain. The group holds a portfolio of direct property assets as well as strategic shareholdings in listed REITs. The company is listed on the JSE and the NSX in Namibia under the retail REITs sector.

CAPITAL STRUCTURE

The authorised share capital comprises 1 500 000 000 ordinary shares with no par value. There were 1 104 719 779 shares in issue at 31 March 2024. The company issued 124 493 151 new shares during the year under review. Refer to note 17 of the annual financial statements for further detail in this regard. The group has no unlisted securities in issue.

SOLVENCY AND LIQUIDITY TEST

The directors have performed the required solvency and liquidity tests required by the Companies Act of South Africa in all relevant instances during the year, including prior to the interim and final dividend declarations.

MANAGEMENT AND ADMINISTRATION

The management of Vukile is responsible for the property asset management functions of the group.

Vukile has contracted the following property managers to undertake the day-to-day property management of the group's South African property portfolio:

- JHI Properties (Pty) Ltd
- Broll Property Group (Pty) Ltd
- McCormick Property Development (Pty) Ltd
- Spire Property Management (Pty) Ltd
- Trafalgar Property Management (Pty) Ltd

Property asset management and property management of the Spanish portfolio are internalised.

Directors' report continued

DIRECTORS

Details of the directors, providing their full names, ages, qualifications and a brief curriculum vitae, will be set out in the ESG report of the integrated annual report, to be published before the end of July 2024.

In terms of the Memorandum of Incorporation of the company, one-third of the non-executive and executive directors are required to retire annually by rotation. Any new directors who have been appointed during the year are also required to retire at the next annual general meeting (AGM). All retiring directors will subsequently be eligible for re-election. The composition of the board of directors and its sub-committees is detailed below:

Board of directors

Composition of board	Date of appointment	Audit and risk committee	Social, ethics and human resources committee	Nominations committee	Property and investment committee
Independent non-executive directors					
NG Payne (Chairman)	20 March 2012		Member	Chairman	
SF Booyesen	20 March 2012		Chairman	Member	Chairman
RD Mokate	11 December 2013	Chairman	Member	Member	
AMSS Mookgabudi	6 August 2021	Member			
H Ntene	25 October 2013				Member
JH Zehner	22 September 2023				Member ⁽ⁱ⁾
JR Formby	22 September 2023	Member	Member ⁽ⁱ⁾		
NP Dongwana	1 April 2024	Member			
Non-executive director					
GS Moseneke	1 August 2013				Member
BM Kodisang	1 April 2023				Member
Executive directors					
LG Rapp (CEO)	1 August 2011				Member
LR Cohen (CFO) ⁽ⁱⁱⁱ⁾	1 July 2020				
LE Pottas (FD)	2 January 2024				
IU Mothibeli (MD)	1 July 2020				Member

⁽ⁱ⁾ Effective 1 April 2024

⁽ⁱⁱⁱ⁾ Stepped down as executive director effective 31 March 2024

DIRECTORS' INTERESTS IN MATERIAL CONTRACTS

During the year under review, the directors had no interest in material contracts or transactions, other than those directors involved in the operation of the company as set out in this report. There have been no bankruptcies or voluntary arrangements of the above mentioned persons.

The directors have not been the subject of public criticisms by statutory or regulatory authorities (including professional bodies) and have not been disqualified by a court from acting as directors of a company or from acting in the management or conduct of the affairs of any company. There have been no offences involving dishonesty by the directors.

Directors' report continued

EXECUTIVE DIRECTORS' SERVICE CONTRACTS

The executive directors do not have fixed-term contracts with the company. A three-month and six-month notice period are required of the executive directors and the CEO, respectively, for the termination of services. Details of remuneration and incentive bonuses are set out in the following tables:

DIRECTORS' EMOLUMENTS

Refer to note 35.2 to the annual financial statements for disclosure regarding directors' emoluments.

DIRECTORS' INTEREST IN SHARES

Shares ⁽ⁱ⁾	Direct beneficial	Indirect beneficial	2024 Total
Executive directors			
LG Rapp	—	4 006 611	4 006 611
LR Cohen	—	2 492 123	2 492 123
IU Mothibeli	—	1 696 671	1 696 671
Non-executive directors			
JR Formby	—	41 000	41 000
GS Moseneke	—	1 477 670	1 477 670
Total	—	9 714 075	9 714 075

⁽ⁱ⁾ Other than as disclosed in the Share Purchase Plan note below, none of the shares held are subject to security, guarantee or collateral. There have been no changes to the directors' shareholdings between the end of the financial year and the date of this report.

Directors' report continued

DIRECTORS' INTEREST IN SHARES continued

Movement of directors' interests in shares

Shares	Held at 1 April 2023	Acquired during the period	Disposed of during the period	Held at 31 March 2024
Executive directors				
LG Rapp	4 006 611	368 766	(368 766)	4 006 611
LR Cohen	2 492 123	222 752	(222 752)	2 492 123
IU Mothibeli	1 696 671	156 867	(156 867)	1 696 671
Non-executive directors				
JR Formby ⁽ⁱ⁾	41 000	—	—	41 000
GS Moseneke ⁽ⁱⁱ⁾	1 477 670	—	—	1 477 670
Total	9 714 075	748 385	(748 385)	9 714 075

⁽ⁱ⁾ Appointed 22 September 2023.

⁽ⁱⁱ⁾ Excluding shares held through Encha indirect holding.

Directors' share incentive schemes

Loans extended to directors under the Share Purchase Plan (SPP) (Audited)

Loans to directors under the provisions of Vukile's SPP, including shares ceded and pledged as security for these loans, are set out below:

Vukile shares	Loan balance at 31 March 2023	Loan balance at 31 March 2024	Market value at 31 March 2024	Number of shares held under SPP
LG Rapp	76 331 623	77 911 464	60 820 355	4 006 611
LR Cohen	49 638 545	50 747 124	37 830 427	2 492 123
IU Mothibeli	32 806 668	33 476 992	25 755 466	1 696 671
GS Moseneke	28 076 934	28 609 351	22 431 031	1 477 670
Total	186 853 770	190 744 931	146 837 279	9 673 075

All shares in the table above are held by special purpose vehicles controlled by the directors and/or their associates.

The total loans awarded to date, as well as the shares that have been ceded and pledged as security for the repayment of the loan, are set out in note 13 of the annual financial statements.

There were no changes in the number of shares held under the scheme between 1 April 2024 and 5 June 2024.

Shares allocated under the Conditional Share Plan (CSP)

Overall limit of the CSP	3.0% of issued capital
Total number of shares acquired under the CSP as at 31 March 2024	11 091 583 shares
Percentage utilisation of the CSP as at 31 March 2024	1.0% of issued capital
Total number of shares acquired under the scheme during 2024	3 992 172 shares
Percentage utilisation of the CSP during 2024	0.40% of issued capital

A detailed breakdown of directors' exposure to the CSP will be set out in the remuneration report to be included in the integrated annual report, under LTIs outstanding and settled during 2024.

Directors' report continued

DIRECTORS' SHARE INCENTIVE SCHEMES continued

TSR Hurdled Incentive Plan 2022 ("TIP 2022")

The TIP 2022 was approved by the Vukile board of directors on 10 December 2021 and endorsed, by way of an ordinary resolution, by Vukile shareholders at a general meeting held on 31 January 2022. Mr Johann Neethling has been appointed as the compliance officer of the TIP 2022 in compliance with section 97(2) of the Companies Act, 71 of 2008, as amended. The TIP 2022 became effective on 31 January 2022.

For the year ended 31 March 2024, a total number of 19 605 207 cash-settled options have been allocated under the TIP 2022.

The following cash-settled options have been allocated to Vukile directors and other employees:

TIP 2022 allocations	Cash-settled options
LG Rapp	3 900 000
LR Cohen	2 900 000
LE Pottas	1 312 000
IU Mothibeli	2 900 000
Other employees	8 593 207
Total	19 605 207

The above options were allocated in 2022; there have been no allocations in the current year and no further allocations are envisaged in the scheme until its maturity in 2027.

Audit and risk committee report

The summary below reflects the activities undertaken by the Vukile audit and risk committee (ARC) during the year in terms of its terms of reference and in support of the board. The key activities and relevant outcomes are as follows:

KEY ACTIVITIES	OUTCOME
Engagement with the group's external auditors	<ul style="list-style-type: none"> • Nominated and recommended to shareholders the appointment of PwC as the external auditor of Vukile, after considering and concluding that they are independent • Determined the fees to be paid to the external auditor • Ensured that the appointment of the auditor complies with the Companies Act, the applicable JSE Listings Requirements and any other legislation relating to the appointment of the auditor • Pre-approved any proposed agreement with the auditor for the provision of non-audit services to the group which are of a material nature as provided for in the group's non-audit services policy • Prepared this report in compliance with section 94(7)(f) of the Companies Act, which report has been included in the annual financial statements by reference
Internal financial controls and combined assurance (internal and external audit)	<ul style="list-style-type: none"> • Considered and confirmed its satisfaction with the effectiveness of the outsourced internal audit function • Assessed internal financial controls and concluded that no material breakdowns in the functioning of the internal financial controls were noted during the year under review and that the results of the audit tests conducted indicate that the internal financial controls provided a sound basis for the preparation of financial statements • Ensured that a comprehensive combined assurance model was applied to the group's key risks to ensure a coordinated approach to all assurance activities • Monitored the implementation of the internal audit coverage plan as approved by the ARC • Received and reviewed the annual representation letters from the outsourced property managers of the group, citing no material control breakdowns
Oversight of risk management	<ul style="list-style-type: none"> • Reviewed and considered the activities and reports presented to the ARC • Considered and monitored the key financial, information technology (IT), operational and strategic risks facing the group and the various mitigating controls thereof • Oversaw compliance with the risk management requirements in accordance with the JSE Listings Requirements in respect of REITs • Reviewed and approved the specific risk management practices related to the use of various debt and derivatives instruments within the business
Integrated reporting and assurance in respect of financial expertise of the Chief Financial Officer and finance function	<ul style="list-style-type: none"> • Reviewed and recommended the group's integrated annual report and annual financial statements for approval by the board • Confirmed the expertise and experience of the Chief Financial Officer and the group's finance function
Compliance with Companies Act requirements and JSE Listings Requirements	<ul style="list-style-type: none"> • The ARC stands ready to receive and deal with any concerns or complaints relating to the accounting practices or the content or auditing of the group annual financial statements • Made submissions to the board on matters concerning the group's accounting policies, financial controls, records and reporting • The ARC confirms that the REIT risk management policy has been complied with, in all material respects, as further disclosed in the governance review included in the integrated annual report • Considered the JSE Proactive Monitoring Report and its impact on the annual financial statements

Audit and risk committee report continued

TERMS OF REFERENCE

The ARC has adopted formal terms of reference which have been approved by the board of directors. The terms of reference are reviewed as necessary. The ARC has conducted its affairs in compliance with these terms of reference and has discharged its responsibilities contained therein, as well as in the Companies Act.

MEMBERSHIP, MEETING ATTENDANCE AND EVALUATION

The ARC consists of three non-executive directors, all of whom are independent. At 31 March 2024, the ARC comprised the following members:

DIRECTOR	PERIOD SERVED
RD Mokate (Chairman)	1 July 2015 to date
AMSS Mokgabudi	6 August 2021 to date
JR Formby	2 November 2023 to date

The curricula vitae of the members of the ARC will be set out in the ESG report of the integrated annual report. The CEO, the CFO, other members of senior management and representatives from the external and internal auditors attend ARC meetings by invitation only. The internal and external auditors have unrestricted access to the Chairman and other members of the ARC. The Group Secretary is the secretary of the ARC.

In accordance with the terms of reference, the ARC meets at least four times annually, but more often if needed. Details of the ARC meeting attendance will be set out in the governance review of the integrated annual report. The overall average attendance for the ARC meetings held during the year was 100%.

ROLES AND RESPONSIBILITIES

The ARC has an independent role with accountability to both the board and our shareholders. The ARC does not assume the functions of management, which remain the responsibility of the executive directors, officers and other senior members of management.

The ARC is responsible for assisting the board in discharging its duties in respect of the safeguarding of assets, accounting systems and practices, internal control processes and the preparation of the group annual financial statements in line with the relevant financial reporting standards as applicable from time to time. The execution of the ARC's responsibilities, which comprises both statutory duties and duties delegated by the board, is detailed more fully below.

EXTERNAL AUDITOR

In accordance with paragraphs 3.84(g)(iii) and 22.15(h) of the JSE Listings Requirements, the ARC has satisfied itself that the external auditor, PwC, is independent of the group, as required by the Companies Act, which includes consideration of compliance with criteria relating to independence or conflicts of interest as prescribed by the IRBA. Requisite assurance was sought and provided by both auditors that internal governance processes within the audit firm support and demonstrate its claim to independence.

The ARC has also satisfied itself with the quality of the external audit work being performed by PwC in respect of the financial year-end under review.

There is a formal procedure that governs the process whereby the external auditor is considered for non-audit services. The ARC approved the terms of the service agreement for the provision of non-audit services by the external auditor and approved the nature and extent of non-audit services that the external auditor provided in terms of the agreed pre-approval policy. For the year under review, non-audit service fees paid to PwC were immaterial relative to the audit fees.

INTERNAL FINANCIAL CONTROLS

The key internal financial controls in operation for all significant business operations within the group have been formalised and are maintained and updated by management when required. The board has approved a delegation of authority to ensure good governance and an appropriate level of oversight.

Based on the results of the various reports submitted by Ernst & Young (EY) (the outsourced internal audit service provider), representations received from outsourced property managers and explanations given by management, the ARC is satisfied with the control environment with no material breakdowns noted in the functioning of the internal financial controls during the year under review.

Audit and risk committee report *continued*

EXPERTISE AND EXPERIENCE OF THE CHIEF FINANCIAL OFFICER AND THE FINANCE FUNCTION

The ARC has considered and is satisfied with the expertise and experience of the company's CFO and Financial Director.

In addition, the ARC has considered and has satisfied itself with the appropriateness of the expertise and adequacy of resources of the group's finance function and experience of the senior members of management responsible for the group's finance function.

ANNUAL FINANCIAL STATEMENTS

The ARC assists the board with all financial reporting and reviews the annual financial statements, as well as results announcements and interim financial information.

The ARC has reviewed the annual financial statements, results announcements and interim financial information of the group and is satisfied that they comply with IFRS[®] Accounting Standards.

The following significant matters were considered by the ARC in relation to the annual financial statements for the year ended 31 March 2024:

- The property valuations as at 31 March 2024 for the South African portfolio
- The property valuations as at 31 March 2024 for the Spanish portfolio
- Valuation of the listed property securities as at 31 March 2024

The ARC was satisfied with the adequate accounting treatment of the matters listed above.

GOING CONCERN

The ARC reviewed a documented assessment by management of the going concern premise of the group before recommending to the board that the group is a going concern and will remain so for the foreseeable future. The ARC can confirm that the company and its subsidiaries comply with all relevant bank and borrowing covenants.

INTEGRATED REPORTING

The ARC fulfils an oversight role regarding the group's integrated annual report and the reporting process, including the system of internal financial controls. The ARC will review and approve the 2024 integrated annual report prior to its publication in July 2024.

TAX AND TREASURY OVERSIGHT

The ARC receives regular feedback on both tax compliance and tax risk matters of the group from management. The ARC is satisfied that the group faces no material tax risks or that a material non-compliance event has occurred.

In respect of the treasury function, the ARC receives regular feedback on the group debt and interest rate hedge position, as well as the group foreign exchange rate position. The ARC is satisfied that treasury risks are adequately managed within the parameters of the group's hedging policies and in line with the risk management requirements in accordance with the JSE Listings Requirements in respect of REITs.

INTERNAL AUDIT

The ARC is responsible for overseeing the internal audit and has considered and approved the annual risk-based internal audit plan.

The internal audit was outsourced to EY, which is tasked with providing assurance on the adequacy of the internal control environment across all of the group's significant operations. The internal audit plan follows a three-year cycle and is revised regularly in accordance with the risk profiles as discussed and tabled at the ARC meetings, with any changes to the internal audit plan being approved by the ARC.

Each internal audit conducted is followed up by a detailed report to management, including recommendations on aspects requiring improvement. The Engagement Partner is responsible for reporting the findings of the internal audit work against the agreed internal audit plan to the ARC at each meeting. The Engagement Partner has direct access to the ARC, primarily through its Chairman, and attends ARC meetings by invitation.

Audit and risk committee report *continued*

COMBINED ASSURANCE

Vukile applies a combined assurance approach to the group's key risks to validate the effectiveness of controls related to risk responses and mitigation activities and thereby corroborates management's self-assessment of the effectiveness of existing risk responses. This provides the board with a corroborated evaluation of the risk responses and mitigation controls through a combination of the following five lines of assurance:

1. Line functions of the outsourced property managers and the group that own and manage risks – first line of assurance
2. Specialist functions that facilitate and oversee risk management and compliance (risk and compliance function) – second line of assurance
3. Internal assurance providers (internal audit) – third line of assurance
4. Independent external assurance providers (external audit and external property valuers) – fourth line of assurance
5. Board and committees – fifth line of assurance

RISK GOVERNANCE

Oversight of the group's risk management function has been assigned to the ARC.

The ARC assists the board to fulfil its responsibilities with regard to risk management, including:

- Reviewing the effectiveness of the risk management arrangements
- Ensuring that a risk management plan is developed and progress against it is monitored
- Reviewing the group risk register and the key risks emanating from group functional risk registers, including any mitigating actions and emerging risks
- Reviewing the reports on incidents, losses and claims
- Ensuring that a combined assurance plan is developed and executed

The board of directors is responsible for the governance of risk across the group, for setting the risk appetite and for monitoring the effectiveness of our risk management processes.

The group's integrated risk management model considers strategic, operational, financial and compliance risks. Reputational risks and uncertain risks, which are inherent to our business and to the real estate industry in general, are also identified, monitored, recorded and appropriately managed.

Feedback from the Castellana ARC is provided at each Vukile ARC meeting.

IT GOVERNANCE

The ARC periodically reviews the group's maturity in respect of IT governance by considering reports from the group IT and assurance as provided by the internal audit function in accordance with the approved internal audit plan.

The governance and management of IT are based on an operating model where Vukile's businesses in South Africa and Spain are responsible for the implementation, management and operation of IT considered appropriate to enable those businesses and functional departments.

The ARC is satisfied that it has complied with its statutory responsibilities and the responsibilities assigned to it by the board.



RD Mokate
Chairman of the ARC

Houghton Estate
5 June 2024

Statements of financial position as at 31 March 2024

	Note	GROUP		COMPANY	
		31 March 2024 Rm	31 March 2023 Rm	31 March 2024 Rm	31 March 2023 Rm
ASSETS					
Non-current assets		41 454	37 908	30 981	27 407
Investment property	3, 4	36 568	34 380	13 770	13 102
Straight-line rental income accrual	4	346	379	282	299
Financial assets at fair value through profit or loss (FVTPL)	5	252	338	110	124
Equity investment at fair value through other comprehensive income (FVTOCI)	6	3 538	2 044	—	—
Investment in associate (equity accounted)	7	152	134	—	—
Investment in joint venture (equity accounted)	8	7	2	3	2
Investment in subsidiaries	9	—	—	16 058	13 092
Derivative financial instruments	24	75	121	75	121
Long-term loans granted	13	309	307	307	301
Loans to subsidiaries	14	—	—	314	302
Other non-current assets	11	207	203	62	64
Current assets		2 783	2 168	2 622	1 233
Trade and other receivables	16	301	515	185	169
Derivative financial instruments	24	94	66	94	66
Current taxation assets		—	12	—	—
Other current assets	11	19	15	—	—
Cash and cash equivalents	27.5	2 353	1 387	1 576	685
Loans to subsidiaries	14	—	—	751	251
Non-current assets held for sale	3, 41	16	173	16	62
Total assets		44 237	40 076	33 603	28 640
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent		23 803	20 077	23 810	19 766
Stated capital	17	14 830	13 138	14 830	13 138
Other components of equity	18	6 765	4 735	6 528	4 140
Retained earnings		2 208	2 204	2 452	2 488
Non-controlling interest	19	155	1 345	—	—
Non-current liabilities		18 649	16 877	8 602	7 541
Interest-bearing borrowings	20	17 883	16 014	7 924	6 651
Lease liability	21	297	286	296	285
Cash-settled incentive plans	12	75	30	22	5
Derivative financial instruments	24	57	249	57	249
Loans from subsidiaries	14	—	—	244	303
Deferred taxation liabilities	15	80	63	59	48
Other non-current financial liabilities	11	257	235	—	—
Current liabilities		1 630	1 777	1 191	1 333
Trade and other payables	22	743	667	412	346
Short-term portion of interest-bearing borrowings	20	829	1 013	723	936
Short-term portion of lease liability	21	21	19	21	19
Short-term portion of cash-settled incentive plans	12	—	44	—	—
Derivative financial instruments	24	35	32	35	32
Shareholders for dividends		2	2	—	—
Total equity and liabilities		44 237	40 076	33 603	28 640

Statements of profit or loss for the year ended 31 March 2024

	Note	GROUP		COMPANY	
		31 March 2024 Rm	31 March 2023 Rm	31 March 2024 Rm	31 March 2023 Rm
Property revenue	28	4 017	3 594	1 942	1 886
Straight-line rental income accrual	4	(34)	58	(20)	55
Gross property revenue		3 983	3 652	1 922	1 941
Property expenses	29	(1 359)	(1 269)	(792)	(761)
Expected credit loss (ECL): tenant receivables	29	(3)	(4)	(2)	2
Net profit from property operations		2 621	2 379	1 128	1 182
Corporate and administrative expenses	30, 31	(409)	(330)	(190)	(161)
Investment and other income	32	33	298	835	495
Finance income	32	83	53	118	247
Net interest from cross-currency interest rate swaps	32	—	16	—	16
Fair value movement on non-designated portion of cross-currency interest rate swaps		—	(27)	—	(27)
Profit before finance costs		2 328	2 389	1 891	1 752
Finance costs	33	(1 103)	(834)	(709)	(610)
Profit after finance costs		1 225	1 555	1 182	1 142
Profit/(loss) on disposals	43	11	(20)	—	(20)
Loss on realisation of derivative		(33)	(19)	(33)	(19)
Fair value gain/(loss) on financial instruments	44	196	(33)	151	(14)
Fair value profit on investment in subsidiaries	9	—	—	432	173
Impairments	13, 14	(5)	(2)	(6)	(14)
Profit before changes in fair value of investment property		1 394	1 481	1 726	1 248
Fair value adjustments:		243	582	398	416
Gross change in fair value of investment property	3	195	625	364	456
Change in fair value of right-of-use asset	3	14	15	14	15
Straight-line rental income adjustment	4	34	(58)	20	(55)
Profit before equity-accounted investment		1 637	2 063	2 124	1 664
Share of income from associate	7	6	9	—	—
Share of profit from joint venture	8	1	1	1	1
Profit before taxation		1 644	2 073	2 125	1 665
Taxation	34	(34)	(35)	(22)	(32)
Profit for the year		1 610	2 038	2 103	1 633
Attributable to owners of the parent		1 587	1 932	—	—
Attributable to non-controlling interest	19	23	106	—	—
Basic and diluted earnings per share (cents)	42	152.27	197.10		

Statements of comprehensive income for the year ended 31 March 2024

	Note	GROUP		COMPANY	
		31 March 2024 Rm	31 March 2023 Rm	31 March 2024 Rm	31 March 2023 Rm
Profit for the year		1 610	2 038	2 103	1 633
Other comprehensive income (OCI) net of tax					
Items that will not be reclassified to profit or loss:					
Equity investments designated at fair value through OCI		1 058	120	1 446	1 985
Fair value adjustment on equity investments	6	1 058	120	—	—
Fair value adjustment on investment in subsidiary		—	—	1 446	1 985
Items that are/will be reclassified to profit or loss:					
Foreign currency translation reserve		653	1 694	—	7
Associate		—	(1)	—	—
Joint venture		—	7	—	7
Subsidiary		653	1 688	—	—
Cash flow hedges	25	16	100	(12)	(38)
Interest rate swaps		(7)	121	(7)	121
Forward exchange contracts		—	—	(28)	(138)
Barrier option		23	(21)	23	(21)
Other comprehensive income for the year		1 727	1 914	1 434	1 954
Total comprehensive income for the year		3 337	3 952	3 537	3 587
Attributable to owners of the parent		3 210	3 631	—	—
Attributable to non-controlling interest	19	127	321	—	—

Statements of changes in equity

for the year ended 31 March 2024

GROUP (Rm)	Stated capital	Other components of equity	Retained earnings	Total Shareholders' interest	Non-controlling interest (NCI)	Total
Balance at 31 March 2022	13 138	2 529	1 901	17 568	1 082	18 650
Dividend distribution	—	—	(1 104)	(1 104)	(55)	(1 159)
	13 138	2 529	797	16 464	1 027	17 491
Profit for the year	—	—	1 932	1 932	106	2 038
Transfer to non-distributable reserve	—	525	(525)	—	—	—
Equity-settled share scheme	—	(18)	—	(18)	(3)	(21)
Other comprehensive income	—	1 699	—	1 699	215	1 914
Balance at 31 March 2023	13 138	4 735	2 204	20 077	1 345	21 422
Issue of share capital	1 692	—	—	1 692	—	1 692
Dividend distribution	—	—	(1 214)	(1 214)	(7)	(1 221)
	14 830	4 735	990	20 555	1 338	21 893
Profit for the year	—	—	1 587	1 587	23	1 610
Transfer to non-distributable reserve	—	369	(369)	—	—	—
Transactions with NCI ⁽ⁱ⁾	—	—	—	—	(1 301)	(1 301)
Change in ownership of subsidiary recognised in equity	—	9	—	9	(9)	—
Equity-settled share scheme	—	29	—	29	—	29
Other comprehensive income	—	1 623	—	1 623	104	1 727
Balance at 31 March 2024	14 830	6 765	2 208	23 803	155	23 958
Note	17	18			19	

⁽ⁱ⁾ During the period an additional 9 833 333 shares were purchased in Castellana from MEREV, refer to note 9.

COMPANY (Rm)	Stated capital	Other components of equity	Retained earnings	Total
Balance at 31 March 2022	13 138	1 602	2 510	17 250
Dividend distribution	—	—	(1 104)	(1 104)
	13 138	1 602	1 406	16 146
Profit for the year	—	—	1 633	1 633
Transfer to non-distributable reserve	—	551	(551)	—
Equity-settled share scheme	—	33	—	33
Other comprehensive income	—	1 954	—	1 954
Balance at 31 March 2023	13 138	4 140	2 488	19 766
Issue of share capital	1 692	—	—	1 692
Dividend distribution	—	—	(1 214)	(1 214)
	14 830	4 140	1 274	20 244
Profit for the year	—	—	2 103	2 103
Transfer to non-distributable reserve	—	925	(925)	—
Equity-settled share scheme	—	29	—	29
Other comprehensive income	—	1 434	—	1 434
Balance at 31 March 2024	14 830	6 528	2 452	23 810
Note	17	18		

Statements of cash flow for the year ended 31 March 2024

	Note	GROUP		COMPANY	
		31 March 2024 Rm	31 March 2023 Rm	31 March 2024 Rm	31 March 2023 Rm
Cash flow from operating activities		2 245	2 089	1 004	970
Profit before taxation		1 644	2 073	2 125	1 665
Adjustments	27.1	610	(36)	(1 125)	(660)
Net changes in working capital	27.2	2	63	15	(29)
Taxation paid	27.3	(11)	(11)	(11)	(6)
Cash flow from investing activities		(479)	(99)	(1 225)	536
Acquisition and development of investment property		(864)	(422)	(289)	(163)
Proceeds on sale of investment property	45	181	137	64	137
Cash flow from cross-currency interest rate swaps		—	41	—	41
Investment and finance income ⁽ⁱ⁾	32	372	94	761	657
Acquisition of equity investments at fair value through other comprehensive income	6	(319)	(158)	—	—
Net cash flows from furniture, fittings and computer equipment	11	(3)	(6)	(1)	(1)
Proceeds on sale of listed securities		203	51	86	51
Acquisition of equity investments at fair value through profit or loss		(41)	(4)	(41)	(4)
Investment in joint venture		(4)	—	—	—
Disposal of investment in joint venture		—	21	—	21
Cash flow from change in investment in joint operations	45	—	141	—	141
Cash flows on advances to subsidiaries		—	—	(504)	(344)
Net cash flows from tenant deposits invested		4	11	—	—
Equity purchased from NCI	19	—	—	(1 301)	—
Long-term loans granted	13	(8)	(5)	—	—
Cash flow from financing activities		(832)	(1 277)	1 121	(883)
Interest-bearing borrowings advanced	20	7 700	3 163	7 563	3 138
Interest-bearing borrowings repaid	20	(6 623)	(2 320)	(6 534)	(2 269)
Finance costs paid		(961)	(767)	(591)	(549)
Cash flows received on loans from subsidiaries		—	—	323	94
Dividends paid	27.4	(1 221)	(1 160)	(1 214)	(1 104)
Equity purchased from NCI	19	(1 301)	—	—	—
Acquisition of executive share scheme financial assets		(35)	(51)	(35)	(51)
Settlement of derivatives	24	(62)	(123)	(62)	(123)
Payment of land lease liability		(21)	(19)	(21)	(19)
Proceeds from issue of share capital		1 692	—	1 692	—
Net decrease in cash and cash equivalents		934	713	900	623
Foreign currency movement on cash		32	109	(9)	19
Cash and cash equivalents at the beginning of the year		1 387	565	685	43
Cash and cash equivalents at the end of the year⁽ⁱⁱ⁾	27.5	2 353	1 387	1 576	685

⁽ⁱ⁾ The amount includes dividends received from Lar España in the current year that were accrued for in the prior year.

⁽ⁱⁱ⁾ Tenant deposits of c.R1 million are held in custody on behalf of tenants and are not available for general use by the group and are, therefore, treated as restricted cash.

Notes to the financial statements

for the year ended 31 March 2024

1 GENERAL ACCOUNTING POLICIES

The annual financial statements have been prepared on a going concern basis, in accordance with *International Financial Reporting Standards* (IFRS) as issued by the International Accounting Standards Board (IASB®), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act of South Africa, 2008, as amended.

1.1 Basis of preparation

The annual financial statements have been prepared on the historical cost basis, except for the measurement of investment property and certain financial instruments at fair value and incorporate the principal accounting policies set out below and in the individual notes to the financial statements.

Except for the amendments adopted as set out below in point 1.2, all accounting policies applied by the group in the preparation of these consolidated financial statements are consistent with those applied by the group in its consolidated financial statements as at and for the year ended 31 March 2023.

The consolidated financial statements are presented in Rand and all values are rounded to the nearest million (Rm), except when otherwise indicated. The company's separate financial statements have been presented with the consolidated financial statements. Where accounting policies refer to the group, these apply to the company also, unless stated otherwise.

1.2 New standards and amendments

The group has adopted the following new standards or amendments to standards that were effective for the first time for the financial period commencing 1 April 2023:

- The amendment to IAS 1 – Presentation of Financial Statements:
 - Classification of liabilities as current or non-current
 - Disclosure of accounting policies to assist preparers in deciding which accounting policies to disclose in the financial statements
- The amendment to IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors introducing the definition of accounting estimates and included other amendments to help entities to distinguish between accounting policies and accounting estimates
- The amendment to IAS 12 – Deferred Tax relating to Assets and Liabilities arising from a single transaction that clarifies how companies account for deferred tax on transactions such as leases and decommissioning obligations
- The amendment to IFRS 17 – Insurance Contracts deferral of initial application of IFRS 17 and a change of the fixed expiry date for the temporary exemption in IFRS 4 – Insurance Contracts from applying IFRS 9 – Financial Instruments

These amendments had no impact on the group.

These annual financial statements were compiled under the supervision of Lizelle Pottas CA(SA) in her capacity as Financial Director of the group.

1.3 Revenue recognition

TYPES OF REVENUE	RECOGNITION
Operating lease income	Recognised as income on a straight-line basis over the lease term.
Revenue from leases with tenants: Municipal recoveries	Municipal 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.
Contingent rents (turnover rental)	Turnover rentals (variable rentals based on the turnover achieved by a tenant) are included in revenue when the amounts can be reliably measured.

Notes to the financial statements *continued*

for the year ended 31 March 2024

1 GENERAL ACCOUNTING POLICIES *continued*

1.4 Income recognition

TYPES OF INCOME	RECOGNITION
Dividends	Recognised when the group's right to receive payment is established.
Interest earned on cash invested with financial institutions	Recognised on an accrual basis using the effective interest method.

1.5 Basis of consolidation

Control is achieved when the company:

- Has power over the investee
- Is exposed or has a right to variable returns from its involvement with the investee
- Has the ability to use its power to affect its returns

The company reassesses whether or not it controls an investee if the facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The group's annual financial statements include the financial statements of the company and its subsidiaries, including any entities over which the group has control. The operating results of the subsidiaries are included from the effective dates of acquisition up to the effective dates of disposal.

Intracompany balances and transactions are eliminated in the consolidated financial statements.

Profit or loss and OCI of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

1.6 Financial instruments

The group recognises a financial asset or a financial liability in its statement of financial position when, and only when, the it becomes party to the contractual provisions of the instrument.

Financial assets

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at fair value through profit or loss (FVTPL)	These assets are subsequently measured at fair value. Net gains or losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at fair value through other comprehensive income (FVTOCI)	These assets are subsequently measured at fair value. Fair value gains or losses are recognised in OCI. Dividend income is recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Impairment of financial assets

The ECL model applies to financial assets measured at amortised cost, lease receivables, including municipal accruals but not to investments in equity instruments measured at fair value.

At each reporting date, the group assesses whether financial assets carried at amortised cost (such as loans granted detailed in note 13 and note 14) 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).

Notes to the financial statements *continued* for the year ended 31 March 2024

1 GENERAL ACCOUNTING POLICIES *continued*

1.6 Financial instruments *continued*

The following credit risk rating grades are applicable to loans granted:

- Stage 1: performing loans
- Stage 2: loans that have seen a significant increase in credit risk since inception
- Stage 3: credit impaired loans in default

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (ie the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the group expects to receive).

Financial liabilities

The group's financial liabilities include borrowings, derivatives, lease liabilities and trade and other payables.

The following accounting policies apply to the subsequent measurement of financial liabilities:

Financial liabilities at fair value through profit or loss (FVTPL)	These liabilities are subsequently measured at fair value with gains or losses recognised in profit or loss.
Financial liabilities at amortised cost	These liabilities are subsequently measured at amortised cost using the effective interest method. Any gain or loss on derecognition is recognised in profit or loss.

Derecognition of financial assets and liabilities

A financial asset is primarily derecognised when:

- The rights to receive cash flows from the asset have expired
- The group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either
 - (a) the group has transferred substantially all the risks and rewards of the asset, or
 - (b) the group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

1.7 Impairment losses

At each reporting date, the carrying amounts of the tangible assets are assessed to determine whether there is any indication that those assets may have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated. Value in use, included in the calculation of the recoverable amount, is estimated taking into account future cash flows, forecast market conditions and the expected lives of the assets.

If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, its carrying amount is reduced to the recoverable amount. Subsequent to the recognition of an impairment loss, the depreciation or amortisation charge for assets is adjusted to allocate the remaining carrying value, less any residual value, over the remaining useful life. Impairment losses are recognised in profit or loss.

If any impairment loss subsequently reverses, due to an indication that the impairment no longer exists and the recoverable amount increases as a result of a change in estimates used to determine the recoverable amount, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount but limited to the carrying amount that would have been determined had no impairment loss been recognised in prior years. A reversal of an impairment loss is recognised in profit or loss.

Notes to the financial statements *continued*

for the year ended 31 March 2024

1 GENERAL ACCOUNTING POLICIES *continued*

1.8 Foreign currency transactions

Transactions into foreign currencies are translated to the respective functional currencies of group entities at exchange rates at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated into the functional currency at the exchange rate at the date that the fair value was determined.

Except for foreign currency differences arising on a net investment in foreign operations, foreign currency differences arising on retranslation are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the group's presentation currency (Rand) at the reporting date. The income and expenses of foreign operations are translated into Rand at exchange rates at the dates of the transactions (an average rate is used). These foreign currency translations are included in OCI.

1.9 Non-current assets held for sale

The group classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use.

The criteria for held for sale classification are regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Additional disclosures are provided in note 41.

1.10 New and revised IFRS not yet adopted

At the date of approval of these annual financial statements, certain new accounting standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the group.

All of the pronouncements will be adopted in the group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the group financial statements is provided on the following pages. Certain other new standards and interpretations have been issued but are not expected to have a material impact on the financial statements.

Notes to the financial statements *continued*

for the year ended 31 March 2024

1 GENERAL ACCOUNTING POLICIES *continued*

1.10 New and revised IFRS not yet adopted *continued*

STANDARD	DETAILS OF AMENDMENTS	IMPACT ON THE FINANCIAL STATEMENTS
IAS 1 – Presentation of Financial Statements: Amendments are effective for annual periods beginning on or after 1 January 2024.	On 31 October 2022, the IASB issued 'Non-current Liabilities with Covenants (Amendments to IAS 1)' to clarify how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability. The amendments are effective for reporting periods beginning on or after 1 January 2024.	The amendment is not expected to have a material impact on the group.
IFRS 16 – Leases: Amendments are effective for annual periods beginning on or after 1 January 2024.	On 22 September 2022, the IASB issued 'Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)' with amendments that clarify how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale. The amendments are effective for annual periods beginning on or after 1 January 2024.	The amendment is not expected to have a material impact on the group.
IFRS 7 – Financial Instruments: Disclosures and IAS 7 – Statement of Cash Flows: Amendments are effective for annual periods beginning on or after 1 January 2024.	On 25 May 2023, the IASB issued 'Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)' to add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements. The amendments are effective for reporting periods beginning on or after 1 January 2024.	The amendment is not expected to have a material impact on the group.
IAS 21 – The Effects of Changes in Foreign Exchange Rates: Amendments are effective for annual periods beginning on or after 1 January 2025.	On 15 August 2023, the IASB issued 'Lack of Exchangeability (Amendments to IAS 21)' to provide guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not. The amendments are effective for reporting periods beginning on or after 1 January 2025.	The amendment is not expected to have a material impact on the group.
IFRS 18 – Presentation and Disclosure in Financial Statements: Amendments are effective for annual periods beginning on or after 1 January 2027.	IFRS 18 was issued by the IASB on 9 April 2024 and sets out requirements for the presentation and disclosure of information in general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses.	Impact on group presentation and disclosure to be assessed.
IFRS 19 – Subsidiaries without Public: Accountability: Disclosures Amendments are effective for annual periods beginning on or after 1 January 2027.	In May 2024 the IASB published IFRS 19 which permits a subsidiary to provide reduced disclosures when applying IFRS Accounting Standards in its financial statements.	Impact on group subsidiaries presentation and disclosure to be assessed.
IAS 12 – Income Taxes: IASB issued International Tax Reform – Pillar Two Model Rules	In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two), and various governments around the world have issued, or are in the process of issuing, legislation on this. South Africa and Spain is in the process of issuing legislation and therefore not yet substantively enacted in terms of IAS 12.	The amendment is not expected to have a material impact on the group.

Notes to the financial statements *continued*

for the year ended 31 March 2024

2 ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are an integral part of financial reporting and, as such, have an impact on the amounts reported in the group's income, expenses, assets and liabilities.

Estimates

Management discusses with the audit committee the development, selection and disclosure of the group's critical accounting policies and estimates and the application of these policies and estimates. Actual results may differ from these estimates.

Information on the key estimations and uncertainties that had the most significant effect on the amounts recognised in the financial statements are set out in the following notes in the financial statements:

- Application of the following accounting policies, namely:
 - Taxation
 - Financial instruments
 - Revenue
 - Impairment
 - Borrowing costs
 - Share-based payments
- Investment property valuation – notes 3 and 23
- Investments – notes 5, 6, 7, 8 and 10
- Deferred taxation – note 15
- Trade and other receivables – note 16
- Executive share scheme financial asset – notes 5.4 and 23

Investment property

The revaluation of investment property requires judgement in the determination of an appropriate discount rate and reversionary capitalisation rate. Note 23.4 sets out further details of the fair measurement of investment property.

Deferred tax and taxation

Deferred tax assets are raised to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised. Assessment of future taxable profit is performed at every reporting date in the form of future cash flows using a suitable growth rate.

As the company has obtained REIT status effective 1 April 2013, the company and its controlled property company subsidiaries are not liable for capital gains tax on the disposal of directly held properties and local REIT securities. In addition, the following must be noted:

- Deferred tax is not recognised on the fair value of investment property as capital gains tax on investment property is not applicable to REITs in terms of section 25BB of the Income Tax Act
- Deferred tax is not calculated on the straight-line rental income accrual as it affects neither the group's distributable income nor taxable profit
- Deferred tax is not recognised on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit
- Deferred tax is not recognised on goodwill that arises on initial recognition
- Deferred tax is not recognised on the temporary differences relating to investments in subsidiaries or jointly controlled entities to the extent that the group is able to control the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future
- Deferred tax may, however, be calculated on derivatives as the group excludes the gains or losses on realised derivatives when the distribution for the year is calculated. A deferred tax asset will only be recognised if it is therefore probable that taxable profit will be available against which the deductible temporary difference can be utilised relating to the same taxation authority and the same taxable entity

Notes to the financial statements *continued* for the year ended 31 March 2024

2 ACCOUNTING ESTIMATES AND JUDGEMENTS *continued*

Estimates *continued*

Impairment of assets

The group tests whether assets have suffered any impairment in accordance with the accounting policy stated in note 11. The recoverable amounts of cash-generating units, intangible assets and tangible assets have been determined based on future cash flows discounted to their present value using appropriate rates. Estimates are based on interpretation of generally accepted industry-based market forecasts.

Trade receivables

Management identifies impairment of trade receivables on an ongoing basis. Impairment adjustments are raised against trade receivables in terms of IFRS 9's ECL model. The group has elected to measure loss allowances for trade receivables (including lease receivables) at an amount equal to lifetime ECLs by making use of the simplified impairment model. When estimating ECLs, the group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information based on the group's historical experience and includes forward-looking information.

Incremental borrowing rate for land leases

In determining the lease liability in accordance with IFRS 16, the incremental borrowing rate was estimated by management using the three-year Domestic Medium Term Note (DMTN) margin as a starting point. The rate was adjusted to reflect an estimated spread for a tenure of 10 years, 25 years, and 50 years.

Judgements

Judgement is applied in certain areas based on historical experience and reasonable expectations relating to future events. Key areas of judgement are noted below:

Investments

Note 6 sets out the rationale behind management's opinion regarding the accounting for the group's investment in Lar España Real Estate SOCIMI.

Determining the lease term

In determining the lease term as per IFRS 16, management applies its judgement in considering all facts and circumstances that create an economic incentive to exercise an extension option or not exercise a termination option. Extension options and periods after termination options are only included in the lease term if it is reasonably certain to be extended or not terminated.

3 INVESTMENT PROPERTY

Investment property, which is stated at fair value, constitutes land and buildings held by the group for rental-producing purposes. Investment property is initially recorded at cost, which includes transaction costs directly attributable to the acquisition thereof. In the South African portfolio, the directors value all the properties bi-annually to determine fair value. Approximately 50% of all properties are valued every six months on a rotational basis by qualified independent external property valuers. Any material differences between the respective valuations are reported in the notes to the financial statements. The Castellana portfolio is valued bi-annually by independent external valuers.

Costs include costs incurred initially and costs incurred subsequently to add to, or to replace, a part of a property. Tenant installation costs are capitalised on the cost of a building and amortised over the lease period. All these items are included in the fair value of investment property.

Letting commissions are capitalised and amortised over the lease period. The carrying value of letting commissions is included with investment property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the group and the cost of the item can be measured reliably.

Investment property is maintained, upgraded and refurbished, where necessary, in order to preserve or improve the capital value as far as it is possible to do so. Maintenance and repairs that neither materially add to the value of the properties nor prolong their useful lives are recognised in profit or loss as property expenses.

Notes to the financial statements *continued*

for the year ended 31 March 2024

3 INVESTMENT PROPERTY *continued*

Fair value is the open market value, which, in the opinion of the directors, is the fair market price at which the property would have been sold unconditionally on a willing buyer/willing seller basis for a cash consideration on the date of the valuation. Gains or losses arising from changes in the fair value of investment property are recognised in net profit or loss for the period in which they arise. Such gains or losses are transferred to a non-distributable reserve in the statement of changes in equity and excluded from the calculation of distributable earnings.

The straight-lining of lease income is deducted from investment property as the discounted value of future rental cash flows forms part of the valuation methodology of investment property.

Land leases are initially recognised as a right-of-use-asset in the statement of financial position, at the same measurement as the corresponding lease liability. The right-of-use asset is subsequently measured at fair value. Changes in fair value are transferred to a non-distributable reserve in the statement of changes in equity and excluded from the calculation of distributable earnings.

Investment property held for sale

Investment property held for sale are properties that will be recovered principally through a sale transaction rather than continuing use. These properties are measured at their fair values. IFRS 5 measurement does not apply to IAS 40 – Investment Property carried at fair value. Refer to note 41 for further details on investment properties held for sale.

Movement in investment property

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Investment property at 1 April	34 932	31 048	13 463	13 139
Capital expenditure and tenant installations	638	408	271	156
Acquisitions and development costs	226	13	18	7
Foreign currency translation	1 099	3 133	—	—
Change in right-of-use asset	14	15	14	15
Changes in fair value	195	625	364	456
Disposals	(172)	(311)	(61)	(311)
Movement in capitalised lease commissions	(2)	1	(1)	1
Investment property at 31 March	36 930	34 932	14 068	13 463
Straight-line rental income adjustment	(346)	(379)	(282)	(299)
Total investment property	36 584	34 553	13 786	13 164
Reflected on the statement of financial position under:				
Non-current assets	36 568	34 380	13 770	13 102
Non-current assets held for sale	16	173	16	62
Total	36 584	34 553	13 786	13 164

Note 23.4 sets out how the fair value of investment property has been determined.

The group's properties are mortgaged to the value of R15.8 billion as security for bank loans (2023: R14.8 billion) – refer to note 20.

Notes to the financial statements continued for the year ended 31 March 2024

4 STRAIGHT-LINE RENTAL INCOME

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Balance at 1 April	384	331	301	251
Sale of investment property	(4)	(5)	1	(5)
Current year movement	(34)	58	(20)	55
Balance at 31 March	346	384	282	301
Reflected on the statement of financial position under:				
Non-current assets	346	379	282	299
Non-current assets held for sale	—	5	—	2
Total	346	384	282	301

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

5.1 Fairvest Limited

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Investment in Fairvest Limited (Fairvest)	142	285	—	71
Number of shares held – “B” shares	38 782 707	93 584 412	—	23 310 493
% holding	2.49	6.00	—	1.50
Price at year-end (cents per share) – “B” shares	368	305	—	305
Opening balance at fair value	285	360	71	127
Fair value adjustment	60	(24)	15	(5)
Disposal of “B” shares	(203)	(51)	(86)	(51)
Closing balance at fair value	142	285	—	71

Fairvest Limited (Fairvest) is a REIT listed on the Johannesburg Securities Exchange (JSE), which holds a diversified portfolio of retail, office and industrial properties. During the year, the group reduced its shareholding in Fairvest to 2.49%, receiving sale proceeds of c.R202.75 million.

5.2 REImagine Social Impact Retail Fund

	March 2024 Rm	March 2023 Rm
GROUP AND COMPANY		
Opening balance at fair value	—	—
Capital contribution	41	4
Fair value adjustment	(2)	(4)
Closing balance at fair value	39	—

The REImagine Social Impact Retail Fund (REImagine or the Fund) was founded by ALT Capital Partners (refer to note 8) to target the development and acquisition of small convenience retail in rural and township locations in South Africa.

Vukile has a minority c.15% interest in the Fund and a total capital commitment of R200 million of which R45 million has been drawn to date. Vukile has elected to recognise the investment at FVTPL. The fair value is determined with reference to the underlying net assets in the Fund. The net assets primarily comprise of externally valued investment property and bank debt.

During the current year, Vukile sold two assets (ie Rustenburg Edgars building and Piet Retief SC) to the Fund for c.R175 million.

Notes to the financial statements *continued* for the year ended 31 March 2024

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *continued*

5.3 REImagine Social Impact Retail Fund I Carry Partnership

GROUP AND COMPANY	March 2024 Rm
Opening balance at fair value	—
Capital contribution	*
Fair value adjustment	—
Closing balance at fair value	—

* Amounts less than R1 million.

The REImagine Social Impact Retail Fund I Carry Partnership, (Carry Partnership) was incorporated during the year with the aim to receive carried interest earned from REImagine Social Impact Retail Fund. Vukile holds a 30% interest in the Carry Partnership and has committed c.R2 million to the partnership of which R395 677 has been drawn to date. Vukile has elected to recognise the investment at FVTPL.

5.4 Executive share scheme reimbursement right

The equity-settled scheme, referred to as the Conditional Share Plan (CSP), was approved by shareholders on 25 April 2013 after which the plan was revised and endorsed by shareholders on 31 January 2022.

Conditional shares are awarded to Vukile executives, senior and middle management in South Africa, and vest after three years subject to retention and performance conditions being achieved. Refer to the remuneration report to be set out in the integrated annual report for further details on the performance conditions.

The equity-settled scheme is measured in terms of IFRS 2 – refer to note 30 for further details.

In order to hedge Vukile's obligation at vesting date, Vukile entered into an agreement with Sanlam Capital Markets (SCM) whereby SCM assumes the obligation of transferring the conditional shares to the participants upon vesting. At the time of the shares being awarded to participants, SCM acquires the shares in the open market as opposed to new shares being issued, thus being non-dilutive to existing shareholders. In the event that the shares do not vest, SCM would sell the shares in the open market and Vukile would be reimbursed.

In terms of IFRS 9, the shares held by SCM are classified as a financial asset at fair value through profit or loss and is representative of Vukile's reimbursement right from SCM. The fair value is determined with reference to two components, namely the fair value of the shares held by SCM, reduced by the pro rata fair value of shares expected to vest.

GROUP	2024 Rm	2023 Rm
Opening balance as at 1 April	53	46
Shares awarded to scheme participants during the year	52	57
Forfeiture of awards due to non-performance	(18)	(6)
Fair value movement	(16)	(44)
Closing balance as at 31 March	71	53

The fair value of the executive share scheme is based on the number of shares held by SCM valued at the closing share price in conjunction with the shares expected to vest, which is calculated with reference to the fair value of the conditional shares, weighted for the probability of fulfillment of performance conditions, and based on the number of days to vesting (level 2 financial instrument).

Notes to the financial statements *continued* for the year ended 31 March 2024

5 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *continued*

5.4 Executive share scheme reimbursement right *continued*

SCM has assumed the obligation to discharge Vukile's conditional obligations towards its executives and management as follows:

		Rm	Vesting dates
i	Based on 25% CPA ⁽²⁾ targets, 25% strategic targets and 50% performance targets for the group (Castellana and Vukile) ⁽¹⁾	22	31 May 2024
ii	Based on 27.5% to 100% CPA targets and 72.5% to 0% of group performance	26	31 May 2024
iii	Based on 24.7% to 100% CPA targets and 75.3% to 0% company performance targets	33	31 May 2025
iv	Special award – Retention (in lieu of short-term performance)	15	31 May 2025
v	Based 22.2% to 100% CPA targets and 77.8% to 0% company performance targets	40	31 May 2026
vi	Special award – retention (in lieu of short-term performance)	12	31 May 2026
vii	Based on 25% CPA targets, 25% strategic targets and 50% performance targets for the group	3	31 May 2028
viii	Based on 25% CPA targets, 25% strategic targets and 50% performance targets for the group	3	31 May 2029
ix	Based on 25% CPA targets, 25% strategic targets and 50% performance targets for the group	3	31 May 2030

⁽¹⁾ The allocation has a 10-year vesting period with potential early vesting after five years, provided that all the vesting conditions are met within five years. In line with prudent accounting principles, the allocation will be amortised over a five-year period.

⁽²⁾ Critical performance areas (CPA).

The executive directors have been allocated the following percentages of the schemes:

Scheme	LG Rapp %	LR Cohen %	IU Mothibeli %
i	100.0	—	—
ii	23.7	12.7	9.0
iii	22.0	12.0	9.0
iv	22.0	15.0	15.0
v	21.5	12.3	8.7
vi	22.0	15.5	15.5
vii	100.0	—	—
viii	100.0	—	—
ix	100.0	—	—

Refer to the directors' report for details in respect of directors' interests in shares via the equity-settled share scheme.

Notes to the financial statements continued

for the year ended 31 March 2024

6 EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

GROUP	2024	2023
Investment in Lar España Real Estate SOCIMI (Lar España)		
Number of shares held	24 056 000	21 512 459
% holding	28.7	25.7
Price at year-end: Euro	€7.22	€4.93
Price at year-end: Rand equivalent	R147.08	R95.10
	Rm	Rm
Opening balance at fair value	2 044	1 452
Shares acquired	319	269
Pre-acquisition dividend	—	(111)
Foreign currency translation	117	314
Fair value adjustment recognised in OCI	1 058	120
Closing balance at fair value	3 538	2 044

During the year, Castellana Properties SOCIMI (Castellana) acquired a further 2 543 541 shares in Lar España, increasing its shareholding to 28.7%.

The IAS 28 requirements for significant influence were assessed and it was concluded that:

- Castellana does not have any board representation on the board of Lar España
- Castellana does not participate in the policy-making process or decisions regarding dividends
- There are no historical or planned material transactions between Lar España and Castellana or the broader Vukile group
- There is no current or planned interchange of management personnel. Lar España is managed by an independent, specialist and experienced asset management team and
- Neither Castellana nor Vukile currently provides or plans to provide Lar España with any technical information

After taking the above into consideration, as well as considering Spanish legislation, it was concluded that Castellana does not exercise significant influence over Lar España.

The Vukile group has elected to measure the investment at fair value through other comprehensive income (FVOCI), in accordance with IFRS 9.

At 31 March 2024, a fair value profit of R1 058 million (€52.1 million) was recognised in other comprehensive income with reference to the quoted price of the Lar España share at 31 March 2024 (R147.08/€7.22 per share).

Notes to the financial statements *continued*

for the year ended 31 March 2024

7 INVESTMENT IN ASSOCIATE (EQUITY ACCOUNTED)

An associate is an entity over which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over these policies.

On acquisition of the investment in an associate, any excess of the cost of the investment over the investor's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the investor's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. Any dividends received are utilised to reduce the carrying value of the investment.

The financial results of associates are incorporated into these financial statements by equity accounting from the date on which the investee becomes an associate. Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the investor's share of the profit or loss and OCI of the associate. When the investor's share of losses of an associate exceeds the investor's interest in that associate, the investor discontinues recognising its share of further losses.

The group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale.

7.1 Fetch Analytics

Vukile through its wholly owned subsidiary, All Great Investments (Pty) Ltd holds an investment in Fetch Holdings CY Limited, trading as Fetch Analytics. Fetch Holdings CY or Fetch was incorporated in Cyprus and has investments in various group operating entities across the UK, Europe and South Africa that specialises in data analytics, using artificial intelligence that provides insight into shopper behaviour.

The ability to track customer behaviour, when combined with other initiatives such as mall analytics, provides the Vukile group with the ability to significantly enhance the customer and tenant experience, and allow meaningful research into customer data and trends.

Apart from its 27% equity interest, Vukile also participates in the financial and operating policies of Fetch. Accordingly, Vukile exercises significant influence over Fetch and the investment is classified as an equity-accounted associate.

In the prior year, Vukile's share of losses from the associate exceeded the carrying value of the investment. As such, the value of the investment was zero. Subsequent losses were no longer recognised as a reduction to the investment, but were recognised as a reduction to the shareholder loan funding to Fetch in accordance with IAS 28. Refer to note 13.2.

During the current year, the EUR-denominated convertible loan notes (CLN) were converted to preference shares. The converted EUR-denominated notes (inclusive of the previously allocated losses), have been recognised as an additional capital contribution in Fetch in the current year. During the year, there was also an entry of a new shareholder in Fetch that resulted in the dilution of Vukile's shareholding from 31% to 27%.

	March 2024 Rm	March 2023 Rm
Opening balance at carrying value	—	1
Conversion of CLN notes	16	
Prior year losses allocated to CLN	(4)	—
Share of loss	(11)	(1)
Carrying value of investment	1	—

Notes to the financial statements *continued* for the year ended 31 March 2024

7 INVESTMENT IN ASSOCIATE (EQUITY ACCOUNTED) *continued*

7.1 Fetch Analytics *continued*

The summarised financial information of Fetch Analytics is set out below:

Statement of comprehensive income

The statement of comprehensive income has not been disclosed since the numbers are below €1 million.

Statement of financial position

	31 December 2023 €m	31 December 2022 €m
ASSETS		
Total assets	2	1
EQUITY		
Total liabilities	1	—
Total equity and liabilities	2	1

Reconciliation to carrying amounts

	March 2024 €m	March 2023 €m
Net asset value at 31 December	1	(1)
Loss up to 31 March	*	*
Net asset value as at 31 March	1	(1)
Vukile's share in net assets	*	*

* Amounts less than €1 million.

The information was extracted from Fetch Analytic's summarised financial statements for the year ended 31 December 2023, and the first quarter management accounts ending 31 March 2024, being the latest available results.

	2024		2023	
	Rm	€m	Rm	€m
Vukile's share of net assets at March				
Share of equity acquired	19	1	19	1
Share of current year loss	(11)	(1)	(6)	—
Conversion of CLN notes	16	1	—	—
Share of accumulated losses	(13)	(1)	(7)	(1)
Foreign currency translation reserve	(2)	—	(3)	—
Cumulative impairment	(8)	—	(8)	—
	1	—	(5)	—
Rand/Euro exchange rate at 31 March	20.37		19.29	

Notes to the financial statements continued

for the year ended 31 March 2024

7 INVESTMENT IN ASSOCIATE (EQUITY ACCOUNTED) continued

7.2 MICC Properties Namibia (Pty) Ltd

Investment in associate

The group holds a c.36% interest in the Namibia portfolio through MICC Properties, a wholly owned subsidiary of Vukile. The board of MICC Properties Namibia consists of five directors, two of whom are appointed by Vukile.

In terms of IAS 28, the group exercises significant influence over MICC Properties Namibia. As such, the investment in associate is equity accounted for in terms of IAS 28.

	March 2024 Rm	March 2023 Rm
GROUP		
Opening balance at carrying value	134	119
Equity-accounted share of profits	17	15
Equity-accounted carrying value	151	134

The summarised financial information of MICC Namibia is set out below:

Statement of comprehensive income

	March 2024 Rm	March 2023 Rm
Rental revenue	137	129
Net operating income	86	86
Profit for the year	44	41

Statement of financial position

	March 2024 Rm	March 2023 Rm
ASSETS		
Non-current assets	1 002	962
Current assets	45	42
Total assets	1 047	1 004
EQUITY	414	370
LIABILITIES	633	634
Non-current liabilities	600	599
Current liabilities	33	35
Total equity and liabilities	1 047	1 004

The information was extracted from MICC Properties Namibia's draft financial statements for the year ended 31 March 2024.

	March 2024 Rm	March 2023 Rm
Net asset value as at 31 March	414	370
Vukile's share of net assets	151	134

Notes to the financial statements *continued*

for the year ended 31 March 2024

8 INVESTMENT IN JOINT VENTURE (EQUITY ACCOUNTED)

A joint venture is a joint arrangement whereby the group has joint control of an arrangement and has rights to the net assets of the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Upon becoming a party to the joint arrangement, the investment in the joint venture is recognised, with any excess of the cost of the investment over the joint venturer's share of the net fair value of the identifiable assets and liabilities of the joint venture being recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the joint venturer's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired. Any dividends received are utilised to reduce the carrying value of the investment.

The joint venture is equity accounted from the date on which the group becomes a party to the joint arrangement. Under the equity method, the joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the joint venture's share of the profit or loss and OCI of the joint venture. When the joint venturer's share of losses of the joint venture exceeds the investment, the joint venturer discontinues recognising its share of further losses.

The group discontinues the use of the equity method from the date when the investment ceases to be a joint venture, or when the investment is classified as held for sale.

8.1 ALT Capital Partners

Vukile holds a 33% interest in ALT Capital Partners, a private equity real estate investment manager. ALT Capital Partners acts as investment manager for REImagine (refer to note 5.2).

Vukile has joint control over ALT Capital Partners given that unanimous consent is required for their relevant activities. The investment in ALT Capital Partners is therefore recognised as an equity-accounted joint venture.

GROUP	March 2024 Rm	March 2023 Rm
Opening balance	2	—
Investment	—	*
Share of profit from joint venture	1	2
Equity-accounted carrying value	3	2

* Amounts less than R1 million.

The summarised financial information of ALT Capital is set out below:

Statement of comprehensive income

	12 months to 31 March 2024 Rm	13 months to 31 March 2023 Rm
Revenue	28	10
Other income	—	18
Operating expenses	(24)	(22)
Profit for the year	4	6

Notes to the financial statements continued

for the year ended 31 March 2024

8 INVESTMENT IN JOINT VENTURE (EQUITY ACCOUNTED) continued

ALT Capital Partners continued

Statement of financial position

	March 2024 Rm	March 2023 Rm
ASSETS		
Non-current assets	2	2
Current assets	14	14
Total assets	16	16
EQUITY	8	4
LIABILITIES	8	12
Non-current liabilities	—	2
Current liabilities	8	10
Total equity and liabilities	16	16

The information was extracted from the unaudited summarised financial statements as at 31 March 2024, being the latest available results.

8.2 Castellana Green

During the year Castellana Properties SOCIMI sold 50% of Castellana Green, a subsidiary of Castellana, to Sunbird Solar International (Cyprus) Limited, an entity specialising in photovoltaic (PV) plants. Thereafter the investment was classified as an equity accounted investment in joint venture. Subsequent to the sale, Castellana made a capital contribution amounting to €200,000 in March 2024.

	March 2024 Rm
GROUP	
Opening balance	—
Fair value of investment retained in joint venture	*
Capital contributions	4
Share of profit from joint venture	*
Equity-accounted carrying value	4

* Amounts below R1 million.

Based on the most recent annual financial statements, all values are below €1 million, therefore no summarised information for Castellana Green has been included.

Notes to the financial statements *continued* for the year ended 31 March 2024

9 INVESTMENT IN SUBSIDIARIES

Vukile's accounting policy is to measure investment in subsidiaries at fair value through profit or loss (FVTPL) for subsidiaries incorporated in South Africa and at fair value through other comprehensive income (FVOCI) for foreign subsidiaries. The fair value gains or losses are recognised in profit or loss or other comprehensive income relative to the classification. Dividend income is recognised in profit or loss.

For transactions in which combining entities are controlled by the same party or parties before and after the transaction and where that control is not transitory are referred to as common control transactions. The group's accounting policy for the acquiring entity would be to account for the transaction at book value.

The table below indicates the opening and closing balances of the company's investment in subsidiaries:

COMPANY	2024 Rm	2023 Rm
Investment in subsidiaries at FVTPL		
Incorporated in the Republic of South Africa		
Opening balance	1 935	1 762
Additions: Vukile acquired shares in MICC Properties from MICC Property Income Fund ⁽¹⁾	1 766	—
Share buy-back: MICC Property Income Fund	(1 673)	—
MICC Property Income Fund: Final distribution of capital	(334)	—
Change in fair value (P/L)	432	173
Closing balance	2 126	1 935
Investment in subsidiaries at FVOCI		
Incorporated in Spain		
Opening balance	11 157	8 781
Additions ⁽²⁾	1 301	276
Change in fair value (OCI)	1 474	2 100
Closing balance	13 932	11 157
Total investment in subsidiaries	16 058	13 092

⁽¹⁾ During the year MICC Income Fund a wholly owned subsidiary of Vukile was wound-up. Prior to the wind-up, the company sold its 100% shareholding in MICC Properties to Vukile, resulting in Vukile directly holding an investment in MICC Properties (previously a indirect holding). The above transactions were settled through intercompany loans between the entities.

⁽²⁾ Additions related to an additional 9 833 333 shares purchased in Castellana from MEREV for €64 million.

Notes to the financial statements continued for the year ended 31 March 2024

9 INVESTMENT IN SUBSIDIARIES continued

COMPANY	2024 Rm	2023 Rm
Direct holding		
Incorporated in the Republic of South Africa		
MICC Property Income Fund (Pty) Ltd (2023: 100%)	—	1 615
100% holding in MICC Properties (Pty) Ltd	1 765	—
80% holding in Clidet No. 1011 (Pty) Ltd (2023: 80%)	360	320
100% All Great Investments (Pty) Ltd (2023:100%)	*	*
Incorporated in Spain		
99.5% in Castellana (2023: 89.8%)	13 933	11 157
Indirect holding		
Special-purpose entity incorporated in the Republic of South Africa		
Vukile Investment Property Securitisation (Pty) Ltd (VIPS)		
Incorporated in Spain		
Junction Parque Castellon SLU		
Junction Parque Principado SLU		
Castellana Innovacion SLU		
Castellana Green SLU		
Junction Parque Huelva SLU		
Junction Parque Motril SLU		
Junction Parque Granada SLU		
Junction Parque Caceres SLU		
Junction Parque Merida SLU		
Castellana Parque Villanueva SL		
Castellana Parque Alcorcon SL		
Junction Parque Habaneras SLU		
Morzal Property Iberia SL		
Junction Parque Alameda SLU		
Lar España Real Estate SOCIMI, S.A.		
Total investment in subsidiaries	16 058	13 092

* Amounts less than R1 million.

Notes to the financial statements continued

for the year ended 31 March 2024

10 JOINT OPERATIONS

A joint operation is a joint arrangement whereby the parties have joint control of the arrangement and have joint rights to the assets and obligations relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists when decisions about the relevant activities require unanimous consent of the parties sharing control. When a group entity transacts with its joint operation, profits or losses resulting from the transactions with the joint operation are recognised in the group's consolidated annual financial statements only to the extent of interests in the joint operation that are not related to the group.

When a group entity undertakes its activities under joint operations, the group proportionately consolidates the assets, liabilities, income and expenses.

GROUP	2024	2023
	% ownership	% ownership
Joint operations comprise the following South African properties:		
Boksburg East Rand Mall	50.0	50.0
Meadowdale Mall	67.0	67.0
Thavhani Mall	33.3	33.3
Tzaneen Maake Plaza	70.0	70.0
Ga-Kgapane Modjadji Plaza	30.0	30.0
Springs Mall	28.0	28.0

Notes to the financial statements continued

for the year ended 31 March 2024

10 JOINT OPERATIONS continued

The following reflects the sum of Vukile's proportionate share of its interests in jointly controlled operations:

GROUP	2024 Rm	2023 Rm
Vukile's share of profit or loss and net assets		
Statement of profit or loss and OCI		
Revenue	368	365
Property expenses	(128)	(130)
Property operating profit	240	235
Straight-line lease income adjustment	(6)	11
Fair value adjustments	126	175
Operating profit	360	421
Statement of financial position		
Opening fair value of property assets	2 733	2 700
Acquisitions and disposals	—	(166)
Capital expenditure	54	24
Net fair value adjustments	150	175
Straight-line lease income adjustment	(6)	11
Fair value of investment property	2 931	2 744
Straight-line lease income adjustment	6	(11)
Total fair value of property assets	2 937	2 733
Current assets	52	38
Total assets	2 989	2 771
Owners' equity	2 434	2 064
Other non-current liabilities	456	619
Current liabilities	99	88
Total equity and liabilities	2 989	2 771

Notes to the financial statements continued for the year ended 31 March 2024

11 OTHER ASSETS AND LIABILITIES

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Other non-current assets comprise:				
Property, plant and equipment (note 11.1)	65	71	62	64
Intangible assets (note 11.2)	4	3	—	—
Tenant deposits invested with local administrations	138	129	—	—
	207	203	62	64
Other current assets comprise:				
Tenant deposits invested with local administrations	19	15	—	—
	19	15	—	—
Other non-current financial liabilities comprise:				
Tenant deposits	257	235	—	—
	257	235	—	—

Tenant deposits relate to non-current deposits (non-current liabilities) to be reimbursed to tenants in Spain at the expiry of the lease term. These deposits (current and non-current assets) are held with local administrations in Spain until lease expiry.

Property, plant, equipment and intangible assets are stated at cost less accumulated depreciation/amortisation, and any impairment losses. Depreciation/amortisation is charged so as to write off the cost less residual value of assets over their estimated useful lives, using the straight-line basis.

The principal useful lives used for this purpose are:

Owner-occupied property	30 years
Furniture and equipment	6 years
Motor vehicles	5 years
Developed software	5 years
Computer equipment	3 years
Other software	2 years

Notes to the financial statements continued

for the year ended 31 March 2024

11 OTHER CURRENT ASSETS AND LIABILITIES continued

The residual value and useful life of an asset are reviewed at each financial year-end.

11.1 Property, plant and equipment

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Property, plant and equipment				
Cost	88	86	76	75
Accumulated depreciation (including FCTR)	(23)	(15)	(14)	(11)
Carrying value	65	71	62	64
Movement for the year				
Net carrying value at 1 April	71	67	64	66
Additions	2	6	1	1
Foreign currency translation (FCTR)	—	1	—	—
Depreciation	(8)	(3)	(3)	(3)
Net carrying value at 31 March	65	71	62	64

11.2 Intangible assets

Intangible assets comprise computer software.

	GROUP	
	2024 Rm	2023 Rm
Intangible assets		
Cost	13	12
Accumulated amortisation (including FCTR)	(9)	(9)
Carrying value	4	3
Movement for the year		
Net carrying value at 1 April	3	2
Additions	1	—
Foreign currency translation reserve (FCTR)	—	1
Net carrying value of intangible assets	4	3

Notes to the financial statements continued

for the year ended 31 March 2024

12 CASH-SETTLED INCENTIVE PLANS

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Cash-settled incentive plans comprise of:				
Cash-settled share scheme (note 12.1)	22	5	22	5
Cash-settled long-term incentive plan (note 12.2)	53	69	—	—
	75	74	22	5
Reflected on the statement of financial position under:				
Non-current liability	75	30	22	5
Current liability	—	44	—	—
	75	74	22	5

12.1 Cash-settled share scheme – South Africa

The Total Shareholder Return Hurdled Incentive Plan (the TIP) is a scheme designed specifically to provide an incentive to selected key staff. The TIP ensures complete alignment between management and shareholders, given that the plan is based on a total shareholder return (TSR), as determined by growth in share price and dividends received over a five-year period. The TIP became effective on 31 January 2022. There have been no allocations in the current year and no further allocations are envisaged in the scheme until its maturity in 2027. The remaining contractual life of the options is three years.

The TIP operates by way of a tiered option mechanism where predetermined TSR levels are matched to certain threshold (tiered) payout profiles. The vesting date of awards will be five years from the award date. On the vesting date, and subject to the achievement of the applicable performance conditions, the cash realised from the vested options will be delivered to the participants, net of applicable income tax.

In terms of IFRS 2, the scheme is classified as a cash-settled share-based transaction, resulting in the recognition of a liability measured at fair value at the reporting date. The fair value of the liability is remeasured at each reporting date until settlement, with any changes to the fair value recognised in profit or loss.

Notes to the financial statements *continued* for the year ended 31 March 2024

12 CASH-SETTLED INCENTIVE PLANS *continued*

12.1 Cash-settled share scheme – South Africa *continued*

	2024	2023
Fair value of barrier option asset		
Number of options granted to employees (A)	19 605 207	19 605 207
Fair value per option granted (B) (Refer to note 24.2)	R2.64	R1.09
Total fair value of options granted to employees (Rm) (AxB)	52	21
Fair value of cash-settled share scheme liability		
Total fair value of options granted to employees (Rm) (C)	52	21
Employee services rendered to date in respect of total vesting period (months) (D)	0.42	0.22
Total fair value of cash-settled share scheme liability (Rm) (Cx D)	22	5

The following table sets out the required TSR hurdle rates and the commensurate payoff profile:

TSR hurdle rates (IRR over five years)	Strike price	Target share price (Barriers)	Potential management payoff	Collective value created for shareholders over a five-year period*	Management payoff as percentage of shareholder value
12.50%	R12.96	R14.65	R11.02 million	R7.89 billion	0.14%
15.00%	R12.96	R16.86	R50.98 million	R10.01 billion	0.51%
17.50%	R12.96	R19.29	R124.20 million	R12.34 billion	1.01%

* Collective value created for shareholders represents share price appreciation as well as dividends over the period.

The executive directors have been allocated the following percentage of the TIP through exposure to notional shares:

	LG Rapp	LR Cohen	IU Mothibeli
Number of notional shares allocated	3 900 000	2 900 000	2 900 000
Percentage of overall allocation pool	20.0%	15.0%	15.0%

The TIP is designed in compliance with the requirements of section 97 of the Companies Act, 71 of 2008, as amended.

The TIP was implemented through the execution of delta option trades by the TIP transaction facilitator (barrier option entered into with Standard Bank of South Africa) to hedge the cash payment at the vesting date. The group designated this derivative for hedge accounting as a cash flow hedge. Refer to note 25.2 for further details on the barrier option and the effect of the cash-settled scheme on profit or loss.

Notes to the financial statements *continued*

for the year ended 31 March 2024

12 CASH-SETTLED INCENTIVE PLANS *continued*

12.2 Cash-settled long-term incentive plan – Spain

The Castellana General Shareholders' Meeting held on 15 September 2020 approved a share-based long-term incentive plan. This plan was effective for nine years, previously with a right to receive shares as an incentive. The first cycle comprised the period from 1 April 2019 to 31 March 2022 and the second cycle comprises the period from 1 April 2022 to 31 March 2025. In the prior year the incentive plans were estimated to be settled in cash as opposed to shares and therefore reclassified to a cash-settled long-term incentive plan as per IAS 19 – Employee Benefits (Refer to note 30 for further information). Participants of the incentive plan comprise of the Castellana executive team.

	2024 Rm	2023 Rm
Balance at 1 April	69	—
Reclassification from equity	—	58
Employee benefits expense	26	23
Payments	(46)	(12)
Foreign currency translation (loss)/profit	4	—
Balance at 31 March	53	69

Notes to the financial statements *continued* for the year ended 31 March 2024

13 LONG-TERM LOANS GRANTED

13.1 Loans granted to directors

Long-term loans were granted to directors and senior management to acquire Vukile shares. These loans relate to loans granted in previous reporting periods. No new loans have been granted since June 2019. The board, after considering the provisions of sections 44 and 45 of the Companies Act, provided financial assistance in the form of loans to executive directors and other members of senior management eligible for participation under the scheme.

The loans are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, the loans are measured at amortised cost using the effective interest method, less allowances for impairment. Subsequent to the loans being advanced Vukile's share price has decreased, therefore the loans have been classified as Stage 2 due to the increased credit risk relative to the underlying security.

At the reporting date, the ECL related to the loans increased by R5 million to R23 million being a probability-weighted estimate of credit losses over the expected life of the loan by assessing the probably of default (PD) and the related loss given default (LGD) for three economic scenarios. The base scenario sets out the assumptions that are expected to result in the most realistic outcome from a series of events, with a 10% increase/decrease then being applied to the inputs in the remaining two scenarios.

	2024 Rm	2023 Rm
Loans granted to executives and staff to acquire Vukile shares	280	274
Estimated credit loss (ECL)	(23)	(18)
Carrying value at 31 March	257	256

The loans bear interest at the official SARS interest rate. The loans are secured by 14 342 072 Vukile shares (2023: 14 342 072) with a level 1 fair value of R218 million (2023: R178 million). The interest is repaid throughout the period by dividends received from the shares held as security. The loans are repayable on the 10th anniversary of the loans being granted or the date of retirement, death or resignation (if earlier), unless otherwise determined by the Social, Ethics and Human Resources Committee.

Refer to the note 35 for further details.

13.2 Loan to Fetch Analytics

Fetch Analytics is a c.27% held investment in associate (refer to note 7.1). During the current year, the EUR-denominated convertible notes were converted to preference shares. In addition, there was the entry of a new shareholder in Fetch that resulted in the dilution of Vukile's shareholding from 31% to 27%.

EUR-denominated convertible notes: The convertible notes earn interest at 2.75% above the Bank of England rate, compounded monthly. In the current year, convertible notes amounting to €811 327 were converted into preference shares (equity). After the conversion, a further advance of €50 000 was made, bringing the total outstanding balance to €51 138 at year-end. The notes are redeemable before the next round of financing.

GBP-denominated loan: The loan of £46,523 is an interest-free loan with no fixed repayment terms.

Notes to the financial statements *continued*

for the year ended 31 March 2024

13 LONG-TERM LOANS GRANTED *continued*

13.2 Loan to Fetch Analytics *continued*

GROUP	2024	2023
	Rm	Rm
GBP-denominated loan		
Opening balance	1	1
Foreign exchange movement	—	—
Closing balance	1	1
EUR-denominated convertible notes		
Opening balance	5	3
Loans advanced	8	5
Conversion to preference shares (equity)	(12)	—
Share of loss from associate	—	(5)
Interest accrual	*	—
Foreign exchange movement	*	2
Closing balance	1	5
Carrying value at 31 March	2	6

* Amounts less than R1 million.

The loans are measured at amortised cost in accordance with IFRS 9. Foreign exchange movements are recognised in other comprehensive income. There has not been a significant increase in credit risk. Both the GBP and EUR-denominated loans have been classified as Stage 1 with an ECL of zero.

13.3 Loan to Mistraline (Pty) Ltd

In respect of the sale agreement relating to Sandton Linbro 7 on Mastiff Business Park, a portion of the acquisition price payable by the purchaser was deferred. The resulting loan earns interest at 9%. The capital amount is repayable on 31 March 2026.

	2024	2023
	Rm	Rm
Vendor loan – Sandton Linbro 7 on Mastiff Business Park	16	16

The loan is measured at amortised cost in accordance with IFRS 9 and is categorised as a Stage 1 with an ECL of zero.

13.4 Loan to Our Generation Properties (Pty) Ltd

In respect of the sale agreement relating to Monsterlus Moratiwa Crossing, a portion of the acquisition price payable by the purchaser was deferred. The resulting loan earns interest annually at the SA prime rate plus 3%, compounded monthly in arrears and is repayable on 31 August 2025.

	2024	2023
	Rm	Rm
Vendor loan – Monsterlus Moratiwa Crossing	34	29

The loan is measured at amortised cost in accordance with IFRS 9 and is categorised as a Stage 1 with an ECL of zero.

Notes to the financial statements continued

for the year ended 31 March 2024

14 LOANS TO/(FROM) SUBSIDIARIES

COMPANY	2024 Rm	2023 Rm
Loans to/(from) subsidiaries		
All Great Investments (Pty) Ltd	33	21
MICC Properties (Pty) Ltd	(244)	(303)
Clidet No. 1011 (Pty) Ltd	281	281
Castellana Properties SOCIMI, S.A.	751	251
Total	821	250
Reflected in the statement of financial position under:		
Non-current assets	314	302
Current assets	751	251
Non-current liabilities	(244)	(303)
Total	821	250

Vukile's accounting policy is to measure intercompany loans at amortised cost. The loan assets are within the scope of IFRS 9 general impairment model.

The R281 million loan to Clidet No. 1011 (Pty) Ltd earns interest at three-month JIBAR + 250 basis points and is repayable on 31 October 2026. In applying the general impairment model, the loan to Clidet is classified as Stage 1, since there has not been a significant increase in credit risk since inception of the loan. The loan is secured by Moruleng Mall valued at R739 million. Underlying assets exceed the liabilities, with reserves of R450 million in place. The 12-month ECL therefore approximates zero.

The loan to Castellana Properties SOCIMI, S.A. is a Euro-denominated loan of €37 million (2023: €13 million). At year-end €17 million was repayable on the 16 November 2024 and €20 million was repayable on the 15 March 2025. Post year-end the repayment dates have been amended to 10 June 2024. The loans earn interest at 5.75% and are unsecured. In applying the general impairment model, the loan is classified as Stage 1 with an ECL of R2.3 million being recognised.

The R35.7 million loan to All Great Investments (Pty) Ltd (AGI) earns interest at 8.7% and is repayable on 31 May 2025. The outstanding balance of the loan, is R43.6 million, including interest. The fair value of the loan using the current market interest rate is, R44.4 million including interest. In applying the general impairment model, the loan is classified as Stage 2 with an ECL balance of R10.6 million (31 March 2023: R11.7 million). AGI is the holding company for Vukile's investment in Fetch Analytics (Fetch).

The loan from MICC Properties (Pty) Ltd bears interest at the SA prime rate and is repayable on 28 February 2027.

Notes to the financial statements *continued*

for the year ended 31 March 2024

15 DEFERRED TAXATION

Temporary differences are differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the tax rates and tax laws that have been enacted at the reporting date.

A deferred taxation liability is recognised for all taxable temporary differences.

A deferred taxation asset is recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

The effect on deferred taxation of any changes in tax rates is recognised in the profit or loss for the period, except to the extent that it relates to items previously charged or credited directly to OCI or equity. Where permissible, deferred taxation assets are offset against deferred taxation liabilities.

Deferred taxation assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred taxation assets and liabilities comprise the following:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Amounts received in advance	13	15	11	13
Allowance for bad debts	13	15	13	13
Wear and tear on developments	(110)	(92)	(87)	(74)
Allowance for future expenditure	(5)	(6)	(5)	(5)
Prepayments	(2)	(4)	(2)	(4)
Leave pay and other accruals	11	9	11	9
	(80)	(63)	(59)	(48)
Movement				
Balance at 1 April	(63)	(33)	(48)	(22)
Other temporary differences ⁽¹⁾	(17)	(28)	(11)	(26)
Foreign currency translation	—	(2)	—	—
Balance at 31 March	(80)	(63)	(59)	(48)
Reflected on the statement of financial position under:				
Deferred taxation liabilities	(80)	(63)	(59)	(48)
	(80)	(63)	(59)	(48)

⁽¹⁾ Includes wear and tear on developments and provision for bad debts.

Notes to the financial statements continued for the year ended 31 March 2024

16 TRADE AND OTHER RECEIVABLES

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

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Gross lease receivables	179	163	87	65
Municipal accruals	121	120	99	99
Expected credit losses (ECL)	(105)	(101)	(65)	(63)
Prepaid expenses	24	20	13	17
Short-term loan ⁽¹⁾	2	6	—	6
Municipal deposits	33	33	22	20
Dividends receivable	—	249	9	7
VAT and sundry debtors	47	25	20	18
Total	301	515	185	169

⁽¹⁾ Relates to loan from Castellana to Cocinas Booh, a ghost kitchen start up. Castellana has the option to be converted to equity (31 March 2023: Relates to a short-term loan to DREAM, which was settled during the year. The loan was a vendor loan, ie a deferred payment for a part of the proceeds due to Vukile on Vukile's exit from its investment in joint venture).

All amounts are short term. The net carrying value of trade and other receivables is considered a reasonable approximation of fair value. Further information on the credit risk of lease receivables is set out in note 26.2.

17 STATED CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. All issued shares are fully paid up.

	2024 '000	2023 '000
Authorised ordinary shares of no par value	1 500 000	1 500 000
Issued ordinary shares of no par value		
Opening balance of issued shares	980 227	980 227
Shares issued during the year	124 493	—
Closing balance of issued shares	1 104 720	980 227
Reconciliation of movement of issued shares	Rm	Rm
Stated capital at the beginning of the year	13 138	13 138
Shares issued during the year	1 692	—
Stated capital at the end of the year	14 830	13 138

Shares under control of the directors

At the AGM held on 1 September 2023, 103 622 662 shares were placed under the control of the directors. On 23 February 2024, 68 493 151 shares were allotted and issued under the general authority to issue shares for cash as approved by shareholders on 1 September 2023. As at 5 June 2024, 35 129 511 shares remain under the authority of the directors.

Notes to the financial statements continued

for the year ended 31 March 2024

18 OTHER COMPONENTS OF EQUITY

The non-distributable reserves (NDR) within equity, as disclosed below, comprise gains or losses due to the revaluation of investment property, foreign exchange gains or losses, fair value adjustments in investment in subsidiaries and other capital items. Share-based payments comprising the payments made by the group in respect of long-term incentive and retention scheme awards are included in NDR. Retained earnings include all current and prior period retained profits or losses. Transfers from retained earnings to NDR relate to amounts not included in distributable income as per management's discretion and SA REIT best practice.

GROUP	Non-distributable reserves Rm	Fair value reserve Rm	Foreign currency translation reserve Rm	Cash flow hedges Rm	Total Rm
Balance at 31 March 2022	3 818	(156)	(1 070)	(63)	2 529
Transfers to non-distributable reserves	525	—	—	—	525
Equity-settled share scheme	(18)	—	—	—	(18)
OCI	—	120	1 479	100	1 699
Balance at 31 March 2023	4 325	(36)	409	37	4 735
Transfers to non-distributable reserves	369	—	—	—	369
Change in ownership of a subsidiary recognised in equity	9	—	—	—	9
Equity-settled share scheme	29	—	—	—	29
OCI	—	1 058	549	16	1 623
Balance at 31 March 2024	4 732	1 022	958	53	6 765

COMPANY	Non-distributable reserves Rm	Fair value reserve Rm	Foreign currency translation reserve Rm	Cash flow hedges Rm	Total Rm
Balance at 31 March 2022	2 689	(940)	(207)	60	1 602
Equity-settled share scheme	33	—	—	—	33
Transfer from non-distributable reserves	551	—	—	—	551
OCI	—	1 985	7	(38)	1 954
Balance at 31 March 2023	3 273	1 045	(200)	22	4 140
Equity-settled share scheme	29	—	—	—	29
Transfer from non-distributable reserves	925	—	—	—	925
OCI	—	1 446	—	(12)	1 434
Balance at 31 March 2024	4 227	2 491	(200)	10	6 528

Notes to the financial statements continued

for the year ended 31 March 2024

19 NON-CONTROLLING INTEREST

2024

The non-controlling interest of R155 million represents 0.5% of the net asset value of Castellana and 20.0% of the net asset value of Clidet No. 1011 (Clidet) (which owns Moruleng Mall) at 31 March 2024. During May 2023, Vukile acquired an additional 9.83 million shares in Castellana from MEREV. The following reflects summarised financial information for Castellana and Clidet. The information is before intercompany eliminations.

GROUP	Castellana Rm	Clidet Rm	31 March 2024 Rm
Extracts from statement of profit or loss and OCI			
Revenue, excluding straight-line lease income adjustment	1 816	82	1 898
Profit after taxation	(478)	70	(408)
Attributable to owners of the parent	(487)	56	(431)
Attributable to non-controlling interest	9	14	23
Total comprehensive income	2 230	70	2 300
Attributable to owners of the parent	2 117	56	2 173
Attributable to non-controlling interest	113	14	127
Dividends paid to non-controlling interest during the year	3	4	7
Extracts from statement of financial position			
Non-current assets	24 605	739	25 344
Current assets	780	21	801
Non-current liabilities	(10 279)	(288)	(10 567)
Current liabilities	(1 107)	(22)	(1 129)
Net assets	13 999	450	14 449
Net assets attributable to non-controlling interest	65	90	155
Extracts from statement of cash flows			
Cash flows from operating activities	1 133	11	1 144
Cash flows from investing activities	(596)	(24)	(620)
Cash flows from financing activities	(466)	—	(466)
Net cash outflow	71	(13)	58

Notes to the financial statements continued for the year ended 31 March 2024

19 NON-CONTROLLING INTEREST continued 2023

GROUP	Castellana Rm	Clidet Rm	March 2023 Rm
Extracts from statement of profit or loss and OCI			
Revenue, excluding straight-line lease income adjustment	1 465	74	1 539
Profit after taxation	823	114	937
Attributable to owners of the parent	740	91	831
Attributable to non-controlling interest	83	23	106
Total comprehensive income	2 879	114	2 993
Attributable to owners of the parent	2 581	91	2 672
Attributable to non-controlling interest	298	23	321
Dividends paid to non-controlling interest during the year	51	4	55
Extracts from statement of financial position			
Non-current assets	21 709	667	22 376
Current assets	938	40	978
Non-current liabilities	(9 631)	(287)	(9 918)
Current liabilities	(597)	(20)	(617)
Net assets	12 419	400	12 819
Net assets attributable to non-controlling interest	1 265	80	1 345
Extracts from statement of cash flows			
Cash flows from operating activities	940	2	942
Cash flows from investing activities	(427)	(3)	(430)
Cash flows from financing activities	(467)	—	(467)
Net cash inflow	46	(1)	45

Notes to the financial statements continued

for the year ended 31 March 2024

20 INTEREST-BEARING BORROWINGS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets.

Capitalisation of borrowing costs ceases when the assets are substantially ready for their intended use or sale. Where applicable, investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. Other borrowing costs are expensed in the period in which they are incurred.

Reconciliation of interest-bearing borrowings:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Balance at 1 April	17 027	14 495	7 587	6 596
Additional borrowings raised	7 700	3 163	7 563	3 138
Transaction costs paid	(21)	(24)	(13)	(5)
Transaction costs amortised (non-cash)	56	40	9	5
Repayment of debt	(6 602)	(2 296)	(6 521)	(2 264)
Foreign exchange differences (non-cash)	22	117	22	117
Foreign currency translation reserve (non-cash)	530	1 532	—	—
Balance at 31 March	18 712	17 027	8 647	7 587
Current portion	829	1 013	723	936
Non-current portion	17 883	16 014	7 924	6 651

Notes to the financial statements *continued*

for the year ended 31 March 2024

20 INTEREST-BEARING BORROWINGS *continued*

Details of borrowings

	2024			
	Total facilities available Rm	Issuances/drawdowns Rm	Interest rate %	Repayment dates
DMTN programme	3 043			
Variable rate bonds⁽²⁾		3 043	9.6 – 10.2	August 2024 – February 2031
Secured		—		
Unsecured		3 043		
Less: Net debt raising fees offset against borrowings		(2)		
Variable rate bank loans⁽²⁾	8 350	5 619	1.8 – 6.8	March 2025 – December 2028
Secured		5 619		
Covenant Exclusive ⁽¹⁾		—		
Less: Net debt raising fees offset against borrowings		(13)		
Company total		8 647		
Secured fixed rate loans	4 659	4 459	3.0 – 4.6	September 2025 – February 2029
Less: Net debt raising fees offset against borrowings		(13)		
Secured variable rate loans⁽²⁾	5 735	5 735	5.5 – 5.7	September 2025 – June 2031
Less: Net debt raising fees offset against borrowings		(116)		
Foreign debt – Spain		10 065		
Group total		18 712		

⁽¹⁾ Covenant Exclusive facilities form part of a bank's secured debt with rights to the bank's secured security pool, however, they do not form part of transactional financial covenants.

⁽²⁾ Variable rate loans have been fixed/hedged by way of interest rate swaps. Refer to notes 24, 25 and 26.

The Financial Stability Board has initiated a fundamental review and reform of the major interest rate benchmarks used globally by financial market participants. This review seeks to replace existing interbank offered rates (IBORs) with alternative risk-free rates (ARRs) to improve market efficiency and mitigate systemic risk across financial markets. The South African Revenue Bank (SARB) has indicated their intention to move away from Johannesburg Interbank Average Rate (JIBAR) and to create an alternative reference rate for South Africa. The SARB has indicated their initial preference for the adoption of the South African Rand Overnight Index Average (ZARONIA) as the preferred unsecured candidate to replace JIBAR in cash and derivative instruments. On 6 May 2024, a JIBAR transition road map was published by the SARB, the impact of the transition is currently being assessed by the group.

Notes to the financial statements continued

for the year ended 31 March 2024

20 INTEREST-BEARING BORROWINGS continued

Details of borrowings continued

	2023			
	Total facilities available Rm	Issuances/drawdowns Rm	Interest rate %	Repayment dates
DMTN programme	2 040			
Variable rate bonds⁽²⁾		2 040	9.3 – 9.7	April 2023 – August 2027
Secured		—		
Unsecured		2 040		
Less: Net debt raising fees offset against borrowings		(1)		
Variable rate bank loans⁽²⁾	7 459	5 171	1.8 – 6.8	June 2024 – September 2027
Secured		5 171		
Covenant Exclusive ⁽¹⁾		—		
Less: Net debt raising fees offset against borrowings		(9)		
Fixed rate bank loans	386	386	3.0	July 2023
Secured		—		
Covenant Exclusive		386		
Company total		7 587		
Secured fixed rate loans	7 123	9 181	1.8 – 4.6	September 2025 – February 2029
Less: Net debt raising fees offset against borrowings		(17)		
Secured variable rate loans⁽²⁾	1 134	418	2.1 – 2.3	September 2025 – June 2031
Less: Net debt raising fees offset against borrowings		(142)		
Foreign debt – Spain		9 440		
Group total		17 027		

⁽¹⁾ Covenant Exclusive facilities form part of a bank's secured debt with rights to the bank's secured security pool, however, they do not form part of transactional financial covenants.

⁽²⁾ Variable rate loans have been fixed/hedged by way of interest rate swaps. Refer to notes 24, 25 and 26.

Notes to the financial statements *continued* for the year ended 31 March 2024

21 LEASE LIABILITY

The lease liability applies to the group's South African portfolio where Vukile is the lessee of land leases on which shopping centres are situated.

The incremental borrowing rate applied to the lease liabilities for the year ranged from 10.35% to 15.50%, depending on the lease terms. The average lease term is 38 years. Each lease payment is allocated between the 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 liability for each period.

Refer to note 26.4 for a maturity analysis of the lease liability.

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Lease liability recognised at 1 April	305	290	304	289
Finance costs	34	34	34	34
Lease payments	(21)	(19)	(21)	(19)
	318	305	317	304
Current portion	21	19	21	19
Non-current portion	297	286	296	285
Lease liability at 31 March	318	305	317	304

22 TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest method.

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Trade creditors	294	298	87	73
Accrued municipal expenses	189	153	86	81
Accrued capital expenditure	71	69	63	58
Accrued trade expenses	120	82	116	78
Tenant deposits	69	65	60	56
	743	667	412	346

All amounts are short term. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

Notes to the financial statements *continued*

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT

23.1 Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

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

Level 2: Other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

23.2 Fair value hierarchy

The following table presents financial assets and liabilities measured at fair value in the statement of financial position in accordance with the fair value hierarchy. The level within which the financial asset or liability is classified is determined based on the lowest level of significant input to the fair value.

GROUP	2024				2023			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets								
Equity investments at fair value through profit or loss	142	—	39	181	285	—	—	285
Equity investments at fair value through other comprehensive income	3 538	—	—	3 538	2 044	—	—	2 044
Executive share scheme financial asset ⁽ⁱ⁾	—	71	—	71	—	53	—	53
Derivative financial instruments	—	169	—	169	—	187	—	187
Total	3 680	240	39	3 959	2 329	240	—	2 569
Liabilities								
Derivative financial instruments	—	(92)	—	(92)	—	(96)	(185)	(281)
Total	—	(92)	—	(92)	—	(96)	(185)	(281)
Net fair value	3 680	148	39	3 867	2 329	144	(185)	2 288

COMPANY	2024				2023			
	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm	Level 1 Rm	Level 2 Rm	Level 3 Rm	Total Rm
Assets								
Equity investments at fair value through profit or loss	—	—	39	39	71	—	—	71
Executive share scheme financial asset ⁽ⁱ⁾	—	71	—	71	—	53	—	53
Derivative financial instruments	—	169	—	169	—	187	—	187
Investment in subsidiaries ⁽ⁱⁱ⁾	—	—	16 058	16 058	—	—	13 092	13 092
Total	—	240	16 097	16 337	71	240	13 092	13 403
Liabilities								
Derivative financial instruments	—	(92)	—	(92)	—	(96)	(185)	(281)
Total	—	(92)	—	(92)	—	(96)	(185)	(281)
Net fair value	—	148	16 097	16 245	71	144	12 907	13 122

⁽ⁱ⁾ The executive share scheme financial asset was reclassified in the current reporting period as a single instrument as opposed to being disclosed on a disaggregated basis in the prior period.

⁽ⁱⁱ⁾ As the underlying value of subsidiaries is mainly attributable to investment property (externally valued), fair value of the subsidiaries is deemed to approximate the net asset value of the subsidiaries.

There have been no significant transfers between levels 1, 2 and 3 in the reporting period under review.

Notes to the financial statements *continued*

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT *continued*

23.2 Fair value hierarchy *continued*

Equity investment at fair value

The fair value of shares held in listed property securities (Fairvest and Lar España) is determined by reference to the quoted closing price at the reporting date. The fair value of shares held in unlisted investments (REImagine Social Impact Retail Fund and REImagine Social Impact Retail Fund I Carry Partnership) is determined with reference to the underlying net assets in the fund (refer to notes 5 and 6 for a reconciliation of the movement in the financial assets).

Executive share scheme financial asset

The level 2 executive share scheme financial asset is based on the number of shares held by SCM valued at the closing share price in conjunction with the shares expected to vest which is calculated with reference to the fair value of the conditional shares, weighted for the probability of fulfillment of performance conditions, and based on the number of days to vesting. Refer to note 5.4 for further details.

Derivative financial instruments

Level 2 derivatives consist of interest rate swap contracts, CCIRS (in the prior reporting period only), forward exchange contracts and a barrier call option. The fair values of these derivative instruments are determined by Vukile's and Castellana's bank funders, using a valuation technique that maximises the use of observable market inputs. The level 3 derivative in the prior period consisted of a net settled derivative that was valued using the Black Scholes option pricing model (refer to note 24.1 for a reconciliation of the movement in the instrument).

Measurement of fair value

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

23.3 Financial instruments by category

GROUP	2024			2023		
	Financial assets at amortised cost Rm	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm	Financial assets at amortised cost Rm	Fair value through profit or loss Rm	Fair value through other comprehensive income Rm
Assets per statement of financial position						
Cash and cash equivalents	2 353	—	—	1 387	—	—
Equity investments at fair value through profit or loss	—	181	—	—	285	—
Equity investment at fair value through other comprehensive income	—	—	3 538	—	—	2 044
Executive share scheme financial asset	—	71	—	—	53	—
Derivative financial instruments	—	169	—	—	187	—
Long-term loans granted	309	—	—	307	—	—
Trade and other receivables (excluding prepayments)	277	—	—	495	—	—

Notes to the financial statements continued

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT continued

23.3 Financial instruments by category continued

	2024		2023	
	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm
GROUP				
Liabilities per statement of financial position				
Non-current portion of borrowings	17 883	—	16 014	—
Derivative financial instruments	—	92	—	281
Lease liability	318	—	305	—
Trade and other payables (excluding IFRS 9 liabilities)	743	—	667	—
Current portion of borrowings	829	—	1 013	—
	2024		2023	
	Financial assets at amortised cost Rm	Fair value through profit or loss Rm	Financial assets at amortised cost Rm	Fair value through profit or loss Rm
COMPANY				
Assets per statement of financial position				
Cash and cash equivalents	1 576	—	685	—
Equity investments at fair value through profit or loss	—	—	—	71
Executive share scheme financial asset	—	71	—	53
Derivative financial instruments	—	169	—	187
Long-term loans granted	307	—	301	—
Trade and other receivables (excluding prepayments)	172	—	152	—
Loans to subsidiaries	1 065	—	553	—

Notes to the financial statements continued

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT continued

23.3 Financial instruments by category continued

COMPANY	2024		2023	
	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm	Financial liabilities at amortised cost Rm	Fair value through profit or loss Rm
Liabilities per statement of financial position				
Non-current portion of borrowings	7 924	—	6 651	—
Derivative financial instruments	—	92	—	281
Lease liability	317	—	304	—
Trade and other payables (excluding IFRS 9 liabilities)	412	—	346	—
Current portion of borrowings	723	—	936	—
Loans from subsidiaries	244	—	303	—

23.4 Fair value measurement of non-financial assets (investment property)

At 31 March 2024, the directors valued the South African property portfolio at R15.55 billion (31 March 2023: R14.97 billion) (excluding the non-controlling interest in Clidet which owns Moruleng Mall), and an external valuer valued the Spanish portfolio at R20.9 billion / €1.0 billion (31 March 2023: R19.5 billion / €1.0 billion).

At 31 March 2024, the directors valued the Vukile company property portfolio at R13.7 billion (31 March 2023: R13.2 billion).

The external valuations performed by Quadrant Properties (Pty) Ltd and Knight Frank (Pty) Ltd at 31 March 2024 on 50% of the South African portfolio were in line with the directors' valuations. The Spanish portfolio was valued by Colliers International.

The fair value of investment property is estimated using a discounted cash flow method – a level 3 model, which capitalises the estimated rental income stream, net of projected operating costs, using a discount rate derived from market yields. The estimated rental stream takes into account current occupancy levels, estimates of future vacancy levels, the terms of in-place leases and expectations of rentals from future leases over the remaining economic life of the buildings.

The estimated fair value would increase/(decrease) if the expected market rental growth was higher/(lower), expected expense growth was lower/(higher), the vacant periods were shorter/(longer), the occupancy rate was higher/(lower), the rent-free periods were shorter/(longer), the discount rate was lower/(higher) and/or the reversionary capitalisation rate was lower/(higher).

Notes to the financial statements *continued*

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT *continued*

23.4 Fair value measurement of non-financial assets (investment property) *continued*

The most significant inputs are the discount rate and the reversionary capitalisation rate. The inputs used in the valuations were:

	2024				2023			
	Discount rate (%)		Reversionary capitalisation rate (%)		Discount rate (%)		Reversionary capitalisation rate (%)	
	Range	Weighted average	Range	Weighted average	Range	Weighted average	Range	Weighted average
South Africa	12.7 to 19.6	13.3	7.8 to 16.3	8.8	12.7 to 19.6	13.4	7.8 to 15.3	8.9
Spain	8.3 to 10.5	9.3	6.0 to 7.0	6.5	8.0 to 10.5	9.1	5.3 to 7.0	6.2
Company	12.7 to 19.6	13.3	7.8 to 16.3	8.8	12.7 to 19.6	13.4	7.8 to 15.3	8.9

South Africa

The discount rate and reversionary capitalisation rate have been disaggregated based on geography. The table below also illustrates the impact on valuations resulting from changes in base discount rates as well as net operating income (NOI) (including the resultant impact on the capitalisation rate) for year one and the capitalisation year. The table below refers to the South African group; 88% of the property value relates to Vukile company.

	2024						
	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow in capitalisation year %
Total portfolio	100	13.3	8.8	(5.5)	(4.0)	(3.4)	(5.1)
Retail	97	13.3	8.7	(5.5)	(4.0)	(3.5)	(5.1)
Other	3	13.7	10.9	(5.0)	(5.1)	(2.4)	(5.4)
Gauteng	40	13.2	8.8	(5.6)	(4.0)	(3.6)	(5.1)
KwaZulu-Natal	21	13.1	8.6	(5.3)	(4.0)	(2.9)	(5.0)
Western Cape	9	12.9	8.6	(5.7)	(3.9)	(3.5)	(5.1)
Free State	9	13.1	8.7	(5.7)	(4.0)	(3.6)	(5.1)
Eastern Cape	8	13.6	9.0	(5.4)	(4.1)	(3.6)	(5.0)
Limpopo	7	13.8	9.1	(5.1)	(4.7)	(3.3)	(5.0)
North West	4	13.2	8.2	(5.9)	(3.7)	(3.7)	(5.0)
Mpumalanga	2	15.2	10.7	(4.8)	(4.7)	(3.4)	(5.1)

Notes to the financial statements continued

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23 FAIR VALUE MEASUREMENT continued

23.4 Fair value measurement of non-financial assets (investment property) continued

Given that the discount rate for the portfolio ranges from 12.7% to 19.6%, the table above has been further disaggregated based on risk showing discount rates below 14%, between 14% and 16%, and above 16%. Refer to the following three tables:

2024							
Discount rate below 14%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow in capitalisation year %
Total portfolio	74	12.9	8.3	(5.7)	(3.8)	(3.4)	(5.0)
Retail	73	12.9	8.3	(5.7)	(3.8)	(3.5)	(5.0)
Other	1	12.9	9.8	(5.1)	(4.1)	(2.1)	(5.1)
Gauteng	28	12.8	8.2	(5.9)	(3.7)	(3.7)	(5.0)
KwaZulu-Natal	19	13.0	8.4	(5.3)	(3.9)	(2.8)	(5.0)
Western Cape	9	12.9	8.6	(5.7)	(3.9)	(3.5)	(5.1)
Free State	6	12.7	7.9	(6.1)	(3.6)	(3.7)	(5.0)
Eastern Cape	4	13.2	8.4	(5.7)	(3.8)	(3.6)	(5.0)
Limpopo	4	12.8	8.1	(6.0)	(3.7)	(3.7)	(5.0)
North West	4	13.2	8.2	(5.9)	(3.7)	(3.7)	(5.0)

2024							
Discount rate between 14% and 16%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow in capitalisation year %
Total portfolio	22	14.1	9.8	(5.0)	(4.7)	(3.4)	(5.1)
Retail	21	14.1	9.7	(5.0)	(4.6)	(3.5)	(5.1)
Other	1	14.1	11.5	(4.9)	(6.1)	(2.6)	(5.7)
Gauteng	10	14.0	9.8	(5.2)	(4.6)	(3.4)	(5.2)
KwaZulu-Natal	2	14.0	9.7	(5.0)	(4.4)	(3.5)	(5.1)
Free State	3	14.0	10.3	(4.8)	(4.8)	(3.5)	(5.1)
Eastern Cape	4	14.0	9.7	(5.0)	(4.4)	(3.5)	(5.1)
Limpopo	2	15.0	10.5	(3.7)	(6.8)	(2.5)	(5.0)
Mpumalanga	1	14.0	9.1	(5.4)	(4.2)	(3.6)	(5.1)

Notes to the financial statements continued

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23 FAIR VALUE MEASUREMENT continued

23.4 Fair value measurement of non-financial assets (investment property) continued

Discount rate above 16%	2024						
	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow in capitalisation year %
Total portfolio	4	16.8	12.6	(4.1)	(5.5)	(3.3)	(5.2)
Retail	3	16.7	12.4	(4.1)	(5.6)	(3.3)	(5.2)
Other	1	19.6	16.9	(3.9)	(3.9)	(3.3)	(5.2)
Gauteng	2	16.4	12.0	(4.3)	(5.3)	(3.3)	(5.2)
Limpopo	1	16.3	11.8	(4.2)	(5.4)	(3.3)	(5.1)
Mpumalanga	1	18.2	14.5	(3.5)	(6.1)	(3.1)	(5.2)

The table below also illustrates the impact on valuations resulting from changes in NOI for the year ended 31 March 2023:

Southern African directly held property portfolio	2023						
	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	100	13.4	8.9	(5.5)	(4.1)	(3.4)	(5.0)
Retail	96	13.4	8.8	(5.5)	(4.1)	(3.4)	(5.0)
Other	4	13.5	10.0	(5.5)	(4.4)	(2.6)	(5.3)
Gauteng	40	13.3	8.8	(5.7)	(4.0)	(3.6)	(5.1)
KwaZulu-Natal	20	13.4	8.8	(5.3)	(4.1)	(2.8)	(5.0)
Western Cape	9	13.2	8.9	(5.6)	(4.0)	(3.4)	(5.0)
Free State	9	13.1	8.6	(5.8)	(3.9)	(3.6)	(5.0)
Eastern Cape	8	13.6	9.1	(5.5)	(4.1)	(3.6)	(5.0)
Limpopo	6	13.9	9.1	(5.2)	(4.7)	(3.3)	(5.0)
North West	4	13.9	9.0	(5.7)	(4.1)	(3.5)	(5.1)
Mpumalanga	4	15.0	10.4	(5.0)	(4.6)	(3.5)	(5.1)

Notes to the financial statements continued

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT continued

23.4 Fair value measurement of non-financial assets (investment property) continued

The above information has been further disaggregated based on risk (discount rates.) Refer to the following three tables:

2023							
Discount rate below 14%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	70	12.9	8.3	(5.8)	(3.9)	(3.4)	(5.0)
Retail	67	12.9	8.3	(5.8)	(3.8)	(3.4)	(5.0)
Other	3	13.0	9.4	(5.8)	(4.4)	(2.4)	(5.4)
Gauteng	29	12.8	8.3	(6.0)	(3.8)	(3.6)	(5.1)
KwaZulu-Natal	18	13.2	8.6	(5.3)	(4.0)	(2.8)	(5.0)
Western Cape	6	12.7	8.6	(5.8)	(3.9)	(3.4)	(5.1)
Free State	6	12.7	7.8	(6.3)	(3.6)	(3.7)	(5.0)
Eastern Cape	4	13.2	8.5	(5.8)	(3.9)	(3.7)	(5.0)
Limpopo	3	12.8	8.0	(6.1)	(3.7)	(3.7)	(5.0)
North West	4	13.2	8.2	(6.0)	(3.7)	(3.7)	(5.0)

2023							
Discount rate between 14% and 16%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	26	14.2	9.7	(5.0)	(4.5)	(3.4)	(5.0)
Retail	25	14.2	9.6	(5.1)	(4.5)	(3.4)	(5.0)
Other	1	14.2	11.3	(4.6)	(4.5)	(2.8)	(5.2)
Gauteng	9	14.2	9.7	(5.2)	(4.3)	(3.5)	(5.1)
KwaZulu-Natal	2	14.5	10.1	(4.9)	(4.6)	(3.4)	(5.0)
Western Cape	3	14.0	9.4	(5.3)	(4.2)	(3.5)	(5.0)
Free State	3	14.0	10.2	(4.9)	(4.6)	(3.4)	(5.1)
Eastern Cape	4	14.0	9.7	(5.1)	(4.4)	(3.5)	(5.0)
Limpopo	2	15.0	10.4	(3.7)	(6.6)	(2.4)	(5.0)
Mpumalanga	3	14.2	9.3	(5.4)	(4.2)	(3.6)	(5.1)

Notes to the financial statements continued

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT continued

23.4 Fair value measurement of non-financial assets (investment property) continued

2023							
Discount rate above 16%	Portfolio exposure %	Average discount rate %	Average exit capitalisation rate %	Valuation impact if base discount rate is increased by 50bps %	Valuation impact of 50% NOI reduction in year one %	Valuation impact of 5% NOI reduction in capitalisation year %	Valuation impact of 5% NOI reduction in cash flow and capitalisation year %
Total portfolio	4	16.8	12.7	(4.1)	(5.7)	(3.1)	(5.1)
Retail	4	16.8	12.6	(4.1)	(5.8)	(3.1)	(5.1)
Other	0 ⁽¹⁾	17.8	15.1	(3.9)	(3.9)	(3.4)	(5.2)
Gauteng	2	16.4	12.0	(4.2)	(5.5)	(3.3)	(5.1)
Limpopo	1	16.3	11.9	(4.3)	(5.3)	(3.3)	(5.1)
North West	0 ⁽¹⁾	19.6	15.3	(3.6)	(7.2)	(1.5)	(5.2)
Mpumalanga	1	17.1	13.6	(3.8)	(5.9)	(3.1)	(5.2)

⁽¹⁾ Less than 1%.

Spain

The tables below illustrate the impact on valuations resulting from changes in base discount rates as well as market rentals on a total portfolio basis. Spain has not been further disaggregated per geographical area due to the homogeneity of the portfolio. The reasons for the homogeneity is due to Spain having a retail only property portfolio, concentrated discount and capitalisation rates used in determining fair value of properties and geographical consistency in the placement of malls.

The tables below show the impact on the fair value of investment property for a 25bps change in discount rate:

	2024	
	Change in discount rate	
	25bps decrease €'000	25bps increase €'000
Retail	17 810	(17 410)
Theoretical result	17 810	(17 410)

	2023	
	Change in discount rate	
	25bps decrease €'000	25bps increase €'000
Retail	17 690	(17 260)
Theoretical result	17 690	(17 260)

Notes to the financial statements *continued*

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT *continued*

23.4 Fair value measurement of non-financial assets (investment property) *continued*

The tables below show the impact on the fair value of investment property for a 10% change in market rents and Rand/Euro foreign exchange rate:

	2024		2023	
	Impact on valuation and fair value adjustment €'000	Impact on valuation and fair value adjustment Rm	Impact on valuation and fair value adjustment €'000	Impact on valuation and fair value adjustment Rm
10% increase in market rents	69 430	1 414	68 300	1 317
10% decrease in market rents	(69 400)	(1 412)	(68 260)	(1 207)

	2024	2023
	Impact on valuation Rm	Impact on valuation Rm
10% increase in foreign exchange rate	2 092	1 953
10% decrease in foreign exchange rate	(2 092)	(1 953)

Notes to the financial statements *continued*

for the year ended 31 March 2024

23 FAIR VALUE MEASUREMENT *continued*

23.4 Fair value measurement of non-financial assets (investment property) *continued*

The effect of a 25bps change to the base discount rate will have the following impact on the valuation of the portfolio:

GROUP – South Africa ⁽¹⁾	25bps increase				25bps decrease		
	Fair value Rm	Decreased fair value Rm	Decrease Rm	% decrease	Increased fair value Rm	Increase Rm	% increase
2024	15 545	15 105	(440)	(2.8)	16 031	486	3.1
2023	14 968	14 554	(414)	(2.8)	15 409	441	2.9

⁽¹⁾ Fair value excludes non-controlling interest in Clidet.

GROUP – Spain							
	Fair value €m	Decreased fair value €m	Decrease Rm	% decrease	Increased fair value €m	Increase Rm	% increase
2024	1 027	1 009	(355)	(1.7)	1 045	363	1.7
2023	1 012	995	(333)	(1.7)	1 030	341	1.7

COMPANY							
	Fair value Rm	Decreased fair value Rm	Decrease Rm	% decrease	Increased fair value Rm	Increase Rm	% increase
2024	13 749	13 361	(388)	(2.8)	14 177	428	3.1
2023	13 159	12 794	(365)	(2.8)	13 547	388	2.9

The following table reflects the levels within the fair value hierarchy of non-financial assets measured at fair value at 31 March:

	GROUP		COMPANY	
	31 March 2024 Recurring fair value measurements Level 3 Rm	31 March 2023 Recurring fair value measurements Level 3 Rm	31 March 2024 Recurring fair value measurements Level 3 Rm	31 March 2023 Recurring fair value measurements Level 3 Rm
Investment property	36 596	34 454	13 733	13 097
Right-of-use asset	318	305	317	304

	GROUP		COMPANY	
	31 March 2024 Non-recurring fair value measurements Level 3 Rm	31 March 2023 Non-recurring fair value measurements Level 3 Rm	31 March 2024 Non-recurring fair value measurements Level 3 Rm	31 March 2023 Non-recurring fair value measurements Level 3 Rm
Investment property held for sale	16	173	16	62

Notes to the financial statements continued

for the year ended 31 March 2024

24 DERIVATIVE FINANCIAL INSTRUMENTS

The group uses derivative financial instruments, including interest rate swaps (IRS) and caps, and forward exchange contracts (FEC) to hedge its exposure to interest rates and currency risk. It is the policy of the group not to trade in derivative financial instruments for speculative purposes. Derivative financial instruments are initially and subsequently recognised at fair value.

In terms of IFRS 9, the group enters into net investment hedges and cash flow hedges. Refer to note 25 for a breakdown of the hedge classifications. Any ineffective portion of the hedge is recognised in profit or loss for the period.

Note	GROUP		COMPANY	
	2024 Assets/ (liabilities) Rm	2023 Assets/ (liabilities) Rm	2024 Assets/ (liabilities) Rm	2023 Assets/ (liabilities) Rm
Derivative assets are disclosed as follows:				
Non-current portion	75	121	75	121
FEC	25	62	25	62
IRS/Caps	25	38	25	38
Barrier option	24.2	21	24.2	21
Current portion	94	66	94	66
FEC	25	59	25	59
IRS/Caps	25	7	25	7
Total	169	187	169	187
Derivative liabilities are disclosed as follows:				
Non-current portion	(57)	(249)	(57)	(249)
FEC	25	(57)	25	(57)
IRS/Caps	25	(7)	25	(7)
Net settled derivative	24.1	(185)	24.1	(185)
Current portion	(35)	(32)	(35)	(32)
FEC	25	(32)	25	(32)
Total	(92)	(281)	(92)	(281)

Refer to note 26.4 for the maturity analysis of the group's derivatives.

Current year movements in derivative instruments were as follows:

GROUP	FEC Rm	IRS/Caps Rm	Other derivatives Rm	Total Rm
Balance at 1 April 2023	32	38	(164)	(94)
Cash flow – settlement of derivatives	5	—	57	62
Cash flow – finance costs	—	36	—	36
Other comprehensive income (OCI)	(31)	(7)	31	(7)
Realised losses	(5)	(36)	(33)	(74)
Other (profit or loss) ⁽¹⁾	—	(7)	161	154
Balance at 31 March 2024	1	24	52	77

⁽¹⁾ Fair value movement on other financial instruments of R138.0 million in the statement of profit or loss includes other derivatives: net settled derivative R161.4 million (refer to note 24.1) and interest rate derivatives -R7.1 million.

Notes to the financial statements *continued*

for the year ended 31 March 2024

24 DERIVATIVE FINANCIAL INSTRUMENTS *continued*

24.1 Net settled derivative

Derivative financial liabilities included a net settled derivative arising from the Morzal acquisition where the shareholder agreement provided for an exit of the co-investor. Castellana was required to act as agent to sell the MEREV shareholding in Castellana to a third party at a predetermined price. In the event that Castellana did not successfully place the shares at the predetermined price, Vukile would be required to make good the difference between the selling price and the predetermined price (Vukile would be required to net settle any shortfall). Vukile also had a call option on MEREV's Castellana shares.

During the year, Vukile exercised its option to acquire 9 833 333 shares in Castellana from MEREV, resulting in Vukile's shareholding in Castellana increasing to 99.5%. The total consideration, including the contractual fee, amounted to €64 million, equating to €6.50 per share.

The table below details the movement in the level 3 derivative balance:

	2024 Rm	2023 Rm
Opening balance	(185)	(232)
Fair value gain	161	47
Gain on exercising option	24	—
Closing balance	—	(185)

24.2 Barrier option

Vukile hedged the cash-settled scheme awarded to executives and senior management (refer to note 12 for further details on the scheme) by entering into an equal and opposite barrier call option cash-settled derivative instrument with Standard Bank of South Africa referencing VKE:SJ. Refer to note 25.2 for further details related to the hedge.

The barrier option was initially measured at the option premium paid and is subsequently remeasured to fair value at each reporting date. The fair value at 31 March 2024 amounts to R52 million (31 March 2023: R21 million). The valuation of the derivative has been calculated using the Barrier option pricing model by Standard Bank of South Africa.

The following inputs were used in the Barrier option pricing model at 31 March 2024:

Description	Call	
Number of shares (options)	As specified in legal agreements	19 605 207
Strike price	As specified in legal agreements	12.96
Expiry date	As specified in legal agreements	15 March 2027
Share price – March 2024	Fair value of Vukile	15.18
Share price – March 2023	Fair value of Vukile	12.44

	2024 Rm	2023 Rm
Opening balance	21	47
Fair value movement	31	(26)
Closing balance	52	21

Notes to the financial statements continued

for the year ended 31 March 2024

25 HEDGE ACCOUNTING

IFRS 9 requires that the group's hedge accounting relationships are aligned with risk management objectives and strategies and applies a more qualitative and forward-looking approach in assessing hedge effectiveness. Changes to Vukile or the counterparty's credit risk are a potential source of hedge ineffectiveness. As all critical terms match, the economic relationships and hedge ratios are 100% effective. The group designated the following hedging relationships:

	GROUP	COMPANY
Interest rate swaps (IRS)	Interest rate swaps are used to hedge floating rate debt, designated as a cash flow hedge. Refer to note 25.1.	Interest rate swaps are used to hedge floating rate debt, designated as a cash flow hedge. Refer to note 25.1.
Barrier option	Barrier option used to hedge cash-settled share scheme, designated as a cash flow hedge. Refer to note 25.2.	Barrier option used to hedge cash-settled share scheme, designated as a cash flow hedge. Refer to note 25.2.
Foreign exchange contracts (FEC)	Forward exchange contracts are used to hedge exposures arising from net investments in foreign operations and Euro cash held by Vukile, designated as a net investment hedge. Refer to note 25.3.	Forward exchange contracts are used to hedge exposures arising from investments in group entities and Euro cash held by Vukile, designated as a cash flow hedge. Refer to note 25.3.

25.1 Interest rate swaps

The group's policy is to minimise interest rate cash flow risk exposures on interest-bearing debt by hedging at least 75% of interest-bearing debt through fixed rate loans or by way of interest rate swaps or caps. In terms of the group's hedging strategy, access facilities are not hedged.

At 31 March 2024 the group and company had interest-bearing borrowings of R18.7 billion and R8.6 billion, respectively, (31 March 2023: R17.0 billion, company: R7.6 billion). In the group, the interest rates of 58.5% (company: 75.9.3%) of interest-bearing debt, excluding access facilities (group 31 March 2023: 89.1%, company: 80.3%) have been hedged. The group has entered into interest rate swaps whereby the variable rate loans have been converted to fixed rate debt as follows:

	GROUP		COMPANY	
	2024 nominal value Rm	2023 nominal value Rm	2024 nominal value Rm	2023 nominal value Rm
Rand-denominated swaps	3 904	5 404	3 904	5 404
Foreign currency denominated swaps	2 669	—	2 669	—
Total interest rate swaps	6 573	5 404	6 573	5 404
Weighted average fixed and hedged maturity (years)	2.3	1.8	2.1	1.7

Notes to the financial statements *continued*

for the year ended 31 March 2024

25 HEDGE ACCOUNTING *continued*

25.2 Barrier option

The group is exposed to cash flow risk on the vesting of the TIP cash-settled share scheme awarded to executives and senior management in the prior year. A barrier option agreement was entered into with Standard Bank of South Africa to hedge the cash payment on the vesting date. The group has designated the hedging relationship as a cash flow hedge with the cash-settled share scheme being the hedged item and the barrier option being the hedging instrument.

	2024 Rm	2023 Rm
Cash flow hedge reserve released to employee benefits expense	8	(5)
Share-based payment recognised as employee benefits expense	(17)	(4)
Net impact on profit/(loss) for the year	(9)	(9)

25.3 Forward exchange contracts

A foreign currency exposure arises from net investments in group entities whose functional currency differs from the parent's functional currency. The risk is defined as the risk of fluctuation in spot exchange rates between the functional currency of the net investments and the parent's functional currency. This will cause the amount of the net investment to vary. Such a risk may have a significant impact on the group's financial statements.

The group is exposed to currency risk to the extent that there is a mismatch between the currencies in which dividends and borrowings are denominated and the functional currencies used by the group companies. The primary functional currencies used by the group are the Rand. Forward exchange contracts are entered into to limit exposure to currency fluctuations on net investments in offshore associates and subsidiaries.

Vukile has adopted a strategy of hedging its foreign currency dividends received from Castellana (Euro). Vukile enters into hedges to target an average of c.60% to cover Castellana's net dividend cash flow over a five-year period.

Euro foreign exchange currency hedges

	FY25	FY26	FY27	FY28	FY29
Fixed EUR/ZAR rate	21.73	22.09	22.88	24.93	—
% hedge target	100	80	60	40	20
% net EUR dividend hedge	77	78	59	32	—

Notes to the financial statements *continued* for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK

26.1 Financial risk management objectives and policies

The board of directors has overall responsibility for the establishment and oversight of the group's risk management framework. The ARC is responsible for developing and monitoring the group's risk management policies. The ARC reports regularly to the board of directors on its activities.

The group's risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the group's activities.

The ARC oversees management compliance with the group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the group. The group operates an outsourced internal audit function fulfilled EY. Internal audit is responsible for assisting the board and management in maintaining an effective internal control environment by evaluating those controls continuously, to determine whether they are adequately designed and operating efficiently and effectively, and to recommend improvements.

The group's financial instruments consist mainly of derivatives, financial assets, loan receivables, deposits with banks, accounts receivable and payable, long-term borrowings, and loans to and from subsidiaries. The group purchases or issues financial instruments to finance operations and to manage interest rate and foreign currency risks that may arise from time to time. The group does not engage in the trading of financial assets or entering into derivative transactions for speculative purposes.

26.2 Credit risk analysis

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge its obligation. The group has no significant concentration of credit risk, as exposure is spread over a large number of counterparties.

Potential areas of credit risk comprise mainly cash, money market funds, trade receivables, derivative financial instruments and long-term loans granted. In order to minimise any possible risks relating to cash, derivatives and money market funds, the group only uses reputable banks and AA-rated money market funds, up to predetermined levels.

While cash and cash equivalents and tenant deposits are also subject to the impairment requirements of IFRS 9, the identified impairment provision was immaterial. The risks regarding long-term loans granted to directors and senior management are minimised by a cession of Vukile-listed shares, held by directors and senior management, and personal suretyship provided by the borrowers in favour of the company. At 31 March 2024, the balance of the expected credit loss (ECL) amounted to R23 million (31 March 2023: R18 million). The provision was calculated using three scenarios and the probability of default was applied against the LGD at the date of maturity for each of the three scenarios.

Trade receivables consist of a large, widespread tenant base. Management has established a credit policy in terms of which each new tenant is analysed individually for creditworthiness before the group's standard payment terms and conditions are offered. The group monitors the financial position of its tenants on an ongoing basis. The group's lease receivables are subject to the simplified ECL model, and amounted to approximately R105 million (31 March 2023: R101 million). The group held tenant cash deposits amounting to R158.5 million at 31 March 2024 (31 March 2023: R130.4 million) as collateral for the rental commitments of tenants.

The expected loss rates are based on the payment profiles of the tenants, and the historical credit losses experienced to date. The group's standard payment terms require tenants to pay in advance. A tenant is considered to be in default once they have reached 90 days past due. The 90-day period is considered an appropriate indicator of default when compared to our customer base credit risk characteristics. Once an amount passes the default point for the purposes of calculating the ECL, the recoveries, write-offs and timing are tracked to determine loss rates. The group performed the calculation of ECL rates separately for national tenants, government entities, and other tenants. Exposures within each group were segmented based on common credit risk characteristics.

Notes to the financial statements *continued*

for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK *continued*

26.2 Credit risk analysis *continued*

The weighted average loss rate was adjusted to reflect differences between economic conditions during the period over which the historical data was collected, current conditions and the group's view of future economic conditions taking into consideration the pressure facing smaller tenants and the possible increase in probability of default. Once all internal measures to collect contractual cash flows that are in default have been exhausted, the group will consider legal avenues in an attempt to secure payment. On a monthly basis an assessment of the outstanding amounts owed by the customer together with the status of legal proceedings is undertaken and the decision made as to whether collection efforts should continue or be suspended. The timing of this decision will depend on the facts and merits of the collection efforts and is based on the cost versus benefit of continuing the collection effort.

An analysis of the credit quality of financial assets is as follows:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Gross lease receivables	179	163	87	65
Municipal accruals	121	120	99	99
Less: ECL	(105)	(101)	(65)	(63)
Net balance	195	182	121	101

Movements on the allowance for impairment of trade receivables are as follows:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Opening balance at 1 April	101	94	63	65
Change in ECL ⁽¹⁾	3	4	2	(2)
Foreign currency translation reserve (FCTR)	1	3	—	—
At 31 March	105	101	65	63

⁽¹⁾ Bad debts written off during the year amounted to R16 million (31 March 2023: R24 million).

ECLs and receivables written off have been included in "property expenses" in note 29 to the annual financial statements.

Notes to the financial statements continued

for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK continued

26.2 Credit risk analysis continued

The impairment provision at 31 March 2024 was determined as follows:

	GROUP			COMPANY		
	Gross carrying amount Rm	Weighted average loss rate %	Impairment loss allowance Rm	Gross carrying amount Rm	Weighted average loss rate %	Impairment loss allowance Rm
Gross tenant receivables						
South Africa national tenants						
Current	6	—	—	5	—	—
30 days past due	4	—	—	4	—	—
60 days past due	5	—	—	5	—	—
90+ days past due	21	47.6	10	17	52.9	9
South Africa non-national tenants		—			—	
Current	11	—	—	11	—	—
30 days past due	9	33.3	3	6	33.3	2
60 days past due	2	50.0	1	2	50.0	1
90+ days past due	56	62.5	35	37	73.0	27
Spanish tenants		—			—	
Current	39	20.5	8	—	—	—
30 days past due	1	—	—	—	—	—
60 days past due	2	—	—	—	—	—
90+ days past due	23	95.7	22	—	—	—
Municipal accruals	121	21.5	26	99	26.3	26
Total	300	35.0	105	186	34.9	65

For South African non-national tenants, the weighted average loss rate decreased, despite an increase in gross carrying amount. The reason is due to the increase in collateral from the prior year, which reduces the potential credit loss for Vukile. At 31 March 2024, the group held tenant cash deposits (primarily from non-national tenants) amounting to R158.5 million (31 March 2023: R130.4 million) as collateral for rental commitments.

Notes to the financial statements continued

for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK continued

26.2 Credit risk analysis continued

South African tenants account for the majority of the provision and gross carrying amount. "South African regular tenants" are the biggest contributor to the group ECL, since smaller entities are more likely to experience a greater financial impact due to the challenging economic environment. Forward-looking macro-economic factors have been incorporated, such as potential political instability from upcoming elections in South Africa, offset by anticipated interest rates cuts in Spain and South Africa.

The impairment provision at 31 March 2023 was determined as follows:

	GROUP			COMPANY		
	Gross carrying amount Rm	Weighted average loss rate %	Impairment loss allowance Rm	Gross carrying amount Rm	Weighted average loss rate %	Impairment loss allowance Rm
Gross tenant receivables						
South Africa national tenants						
Current	3	—	—	2	—	—
30 days past due	3	—	—	2	—	—
60 days past due	1	—	—	1	—	—
90+ days past due	27	48.1	13	16	56.3	9
South Africa non-national tenants						
Current	7	28.6	2	7	28.6	2
30 days past due	3	33.3	1	2	50.0	1
60 days past due	2	50.0	1	2	50.0	1
90+ days past due	47	63.8	30	33	72.7	24
Spanish tenants						
Current	46	21.7	10	—	—	—
30 days past due	2	—	—	—	—	—
60 days past due	3	—	—	—	—	—
90+ days past due	19	94.7	18	—	—	—
Municipal accruals	120	21.7	26	99	26.3	26
Total	283	35.7	101	164	38.4	63

Notes to the financial statements *continued* for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK *continued*

26.3 Market risk

The group is exposed to market risk through interest rate risk, price risk and currency risk.

Interest rate risk management

The group is exposed to market risk through its use of financial instruments, specifically interest rate risk.

The interest rate risk management position and maturity profile of interest-bearing borrowings are summarised below:

Group total debt⁽¹⁾ and swap expiry profile

	2025	2026	2027	2028	2029	>2030	Total
Loan expiry profile (Rm)	829	7 097	3 299	1 234	6 041	355	18 855
Hedging (swap and fixed debt) profile (Rm)	2 843	1 394	5 878		917		11 032
Loan expiry profile (%)	4	38	17	7	32	2	100
Hedging (swap and fixed debt) profile (%)	26	13	53	—	8	—	100

⁽¹⁾ Total debt includes corporate bonds and excludes capitalised fees.

Company total debt⁽¹⁾ and swap expiry profile

	2025	2026	2027	2028	2029	>2030	Total
Loan expiry profile (Rm)	723	982	3 191	1 135	2 535	95	8 661
Hedging (swap and fixed debt) profile (Rm)	2 785	569	2 302		917	—	6 573
Loan expiry profile (%)	8	11	38	13	29	1	100
Hedging (swap and fixed debt) profile (%)	42	9	35	—	14	—	100

⁽¹⁾ Total debt includes corporate bonds and excludes capitalised fees.

Interest rate sensitivity

It is estimated that for the year ended 31 March 2024, a 1.0% increase/decrease in interest rates would have affected the group's profit before taxation by approximately R179 million (31 March 2023: R22 million) and the company's profit before taxation by approximately R78 million (31 March 2023: R18 million).

Details of the group's interest rate swap contracts are set out in note 25.1 of the annual financial statements. The exposure to interest rates for the group's money market funds on deposit is considered immaterial.

Notes to the financial statements *continued*

for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK *continued*

26.3 Market risk *continued*

Price risk

The group is exposed to price risk in respect of its listed property securities. The investments in listed property securities are continuously monitored and voting rights arising from these equity instruments are utilised in the group's favour.

The effect of a ten percentage point change to the share price of the listed investments will have the following impact on the 31 March 2024 total comprehensive income:

GROUP	Fair value Rm	10% decrease in share price		10% increase in share price	
		Decreased fair value Rm	Decrease in fair value Rm	Increased fair value Rm	Increase in fair value Rm
Fairvest Limited	142	128	(14)	156	14
Lar España	3 538	3 184	(354)	3 892	354

The effect of a ten percentage point change to the share price of the listed investments would have the following impact on the prior year's total comprehensive income:

GROUP	Fair value Rm	10% decrease in share price ⁽ⁱ⁾		10% increase in share price ⁽ⁱ⁾	
		Decreased fair value Rm	Decrease in fair value Rm	Increased fair value Rm	Increase in fair value Rm
Fairvest Limited	285	257	(28)	313	28
Lar España	2 044	1 839	(205)	2 249	205

COMPANY	Fair value Rm	10% decrease in share price ⁽ⁱ⁾		10% increase in share price ⁽ⁱ⁾	
		Decreased fair value Rm	Decrease in fair value Rm	Increased fair value Rm	Increase in fair value Rm
Fairvest Limited	71	64	(7)	78	7

⁽ⁱ⁾ The comparative sensitivity analysis has been updated to reflect an increase/decrease of 10% from previously reported 1%.

Foreign currency risk

The summary quantitative data in respect of the group's exposure to currency risk on borrowings is as follows:

GROUP	March 2024		March 2023	
	€m	Rm	€m	Rm
Financial liabilities	(631)	(12 862)	(538)	(10 371)

COMPANY	March 2024		March 2023	
	€m	Rm	€m	Rm
Financial liabilities	(131)	(2 669)	(40)	(772)

Notes to the financial statements *continued* for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK *continued*

26.3 Market risk *continued*

Currency risk sensitivity analysis

A strengthening/(weakening) of the Euro against the Rand at 31 March 2024 would have affected the measurement of financial instruments denominated in a foreign currency and affected profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant.

	GROUP AND COMPANY		March 2024		March 2023	
	March 2024	March 2023	Profit before tax		Profit before tax	
	Change versus R	Change versus R	Strengthening Rm	Weakening Rm	Strengthening Rm	Weakening Rm
EUR	15 %	15%	24	(24)	6	(6)

On average, 71% of foreign dividends are hedged by way of forward exchange contracts over a three-year period.

26.4 Liquidity risk management

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's policy is to limit its exposure to liquidity risk by ensuring a material amount of undrawn access facilities at any given time. In addition, refinancing risk is limited by ensuring that all maturing facilities are refinanced or repaid well ahead of the maturity date of the facility.

In effect, the group seeks to borrow for as long as possible at the lowest acceptable cost. Management regularly reviews the maturity profile of the group's interest-bearing debt and other financial liabilities and seeks to avoid the concentration of maturities through the regular replacement of facilities well in advance of maturity dates. The strategy in this regard is to endeavour that no more than 25% of debt matures in any one year. The objective of managing liquidity risk is to ensure that the group has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions. Forecast cash flows based on anticipated rentals net of operating expenses, finance costs, other income, corporate expenditure and capital expenditure are reviewed on a regular basis.

The group's liquidity is adequately managed by means of undrawn facilities at 31 March 2024 amounting to R2.9 billion (31 March 2023: R2.5 billion).

Notes to the financial statements continued

for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK continued

26.4 Liquidity risk management continued

The tables below set out the maturity analysis of the group's non-derivative financial liabilities based on the undiscounted contractual cash flows.

	Current				Non-current		
	Carrying amount Rm	Within 12 months Rm	1 – 2 years Rm	2 – 3 years Rm	3 – 4 years Rm	4 – 5 years Rm	>5 years Rm
2024							
GROUP							
Maturity analysis							
Borrowings	18 712	829	7 097	3 299	1 234	6 041	355
Interest component of borrowings		1 078	842	550	392	230	46
Lease liability	318	21	22	24	26	28	1 084
Tenant deposits	257	36	32	27	27	38	133
Trade and other payables (excluding non-IFRS 9 liabilities)		674	—	—	—	—	—
COMPANY							
Maturity analysis							
Borrowings	8 647	723	982	3 191	1 135	2 535	95
Interest component of borrowings		655	586	456	300	151	18
Lease liability	317	21	22	24	26	28	1 080
Trade and other payables (excluding non-IFRS 9 liabilities)		353	—	—	—	—	—

	Current				Non-current		
	Carrying amount Rm	Within 12 months Rm	1 – 2 years Rm	2 – 3 years Rm	3 – 4 years Rm	4 – 5 years Rm	>5 years Rm
2023							
GROUP							
Maturity analysis							
Borrowings	17 027	—	1 013	2 091	7 971	1 427	4 695
Interest component of borrowings		85	775	549	302	138	94
Lease liability	305	21	22	24	17	17	1 086
Tenant deposits ⁽ⁱ⁾	235	39	31	24	22	30	128
Trade and other payables (excluding non-IFRS 9 liabilities)		602	—	—	—	—	—
COMPANY							
Maturity analysis							
Borrowings	7 587	936	2 014	2 263	1 350	1 035	—
Interest component of borrowings		637	521	375	204	45	
Lease liability	304	21	22	24	26	28	1 082
Trade and other payables (excluding non-IFRS 9 liabilities)		290	—	—	—	—	—

⁽ⁱ⁾ The maturity analysis for the prior year has been updated to include tenant deposits.

Notes to the financial statements continued

for the year ended 31 March 2024

26 FINANCIAL INSTRUMENTS RISK continued

26.4 Liquidity risk management continued

In those instances where loans are not repaid on maturity, new long-term loans are entered into with funders on the expiry of existing debt facilities. Cash flows are monitored on a monthly basis to ensure that cash resources are adequate to meet funding requirements.

In terms of the loan-to-value (LTV) covenants with bank funders and the DMTN programme, the nominal value of long-term interest-bearing bank debt may not exceed 50% of the external value of investment property together with the market value of listed property securities. Based on the DMTN and bank LTV loan covenants of 50%, the group has the following unutilised borrowing capacity:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
External value of property assets and value of listed property securities	39 880	36 425	28 958	24 615
50% thereof	19 940	18 212	14 479	12 308
Nominal value of borrowings utilised at year-end	(18 855)	(17 197)	(8 661)	(7 597)
Unutilised borrowing capacity	1 085	1 015	5 818	4 711

The table below sets out the maturity profile of the group's derivatives:

	Current		Non-current			
	Within 12 months Rm	1 – 2 years Rm	2 – 3 years Rm	3 – 4 years Rm	4 – 5 years Rm	>5 years Rm
2024						
GROUP AND COMPANY						
Derivative assets						
Forward exchange contracts	66	11	5		—	—
Interest rate swaps	28	5	2	—	—	—
Barrier option	—	52		—	—	—
Derivative liabilities						
Forward exchange contracts	34	15	17	12	3	—
Interest rate swaps	1	2	4	4	—	—

	Current		Non-current			
	Within 12 months Rm	1 – 2 years Rm	2 – 3 years Rm	3 – 4 years Rm	4 – 5 years Rm	>5 years Rm
2023						
GROUP AND COMPANY						
Derivative assets						
Forward exchange contracts	58	45	11	7	—	—
Interest rate swaps	7	6	32	—	—	—
Barrier option	—	—	21	—	—	—
Derivative liabilities						
Forward exchange contracts	32	30	11	10	6	—
Interest rate swaps	—	1	4	2	—	—
Net settled derivative	—	—	185	—	—	—

Notes to the financial statements continued

for the year ended 31 March 2024

27 STATEMENT OF CASH FLOWS

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, and investments in money market instruments, net of bank overdrafts, all of which are available for use by the group.

27.1 Adjustments

The following convention applies to figures under "adjustments" below: inflows of cash are represented by figures in brackets, while outflows of cash are represented by figures without brackets.

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Adjustments for non-cash items:				
Fair value adjustments	(195)	(625)	(364)	(456)
Fair value loss/(gain) on property securities	(58)	28	(13)	9
Fair value adjustments on investment in subsidiaries	—	—	(432)	(173)
Share-based remuneration	18	49	38	38
Loss on sale of listed investments	—	16	—	16
Profit share on equity-accounted investments	(7)	(10)	(1)	(1)
Loss on realisation of net settled derivative	33	19	33	19
Impairments	5	2	6	14
Right-of-use asset at fair value	(14)	(15)	(14)	(15)
Depreciation on furniture, fittings and equipment and amortisation of intangible assets	8	3	3	3
Foreign exchange gain	(17)	(4)	—	—
Other non-cash items ⁽ⁱ⁾	(150)	34	(137)	34
Items disclosed separately on statement of cash flows:				
Net cash flow from CCIRS	—	(16)	—	(16)
Investment and other income	(116)	(351)	(953)	(742)
Finance costs	1 103	834	709	610
	610	(36)	(1 125)	(660)

⁽ⁱ⁾ Other non-cash items in the current year mainly comprise of fair value gain on other financial instruments of R138 million and profit on sale of investment property of R11 million (Company: fair value gain on other financial instruments of R138 million)

Notes to the financial statements continued

for the year ended 31 March 2024

27 STATEMENT OF CASH FLOWS continued

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
27.2 Net changes in working capital				
Movement in working capital				
(Increase)/decrease in trade and other receivables	(42)	45	(11)	33
(Decrease)/increase in trade and other payables	39	28	26	(62)
Foreign currency translation	5	(10)	—	—
	2	63	15	(29)
27.3 Taxation paid				
Amount owing at the beginning of the year	(12)	(8)	—	—
Reallocation	12	—	—	—
Non-resident shareholders' tax	11	7	11	6
	11	(1)	11	6
Net amount owing at the end of the year	—	12	—	—
Tax paid during year	11	11	11	6
27.4 Dividends paid				
Dividends payable at the beginning of the year	2	3	—	—
Dividends declared	1 214	1 104	1 214	1 104
NCI portion	7	55	—	—
Dividends payable at the end of the year	(2)	(2)	—	—
Dividends paid during the year	1 221	1 160	1 214	1 104
27.5 Cash and cash equivalents				
Held on deposit for tenants ⁽¹⁾	1	1	1	1
Held on short-term interest-bearing deposits	1 473	605	1 471	605
Cash on hand	879	781	104	79
Cash and cash equivalents at the end of the year	2 353	1 387	1 576	685

⁽¹⁾ Tenant deposits are held in custody on behalf of tenants and are not available for general use by the group, and are therefore treated as restricted cash.

Notes to the financial statements continued

for the year ended 31 March 2024

28 REVENUE

“Property revenue” is generated from rental income from investment property in accordance with IFRS 16.

Revenue from leases with tenants arises from transactions not associated with financial instruments or investment property. Due to the nature of the group’s business, all revenue from customers is considered to be recognised “over time” in accordance with IFRS 15.

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Property revenue	4 017	3 594	1 942	1 886
Included in property revenue: Turnover rental	51	41	12	9
Included in property revenue: Recoveries	955	877	429	403

29 PROPERTY EXPENSES

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Municipal fixed charges	244	236	148	143
Municipal consumption costs	407	390	366	345
Operating costs	587	535	171	176
Repairs and maintenance	62	51	55	46
Property management fees	59	57	52	51
ECL movement	3	4	2	(2)
Total	1 362	1 273	794	759

Notes to the financial statements continued

for the year ended 31 March 2024

30 CORPORATE AND ADMINISTRATIVE EXPENSES

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Administration expenses include:				
Salaries and employee benefits ⁽¹⁾	190	154	91	74
Administration costs	119	84	46	32
Share-based remuneration and employee benefits ⁽²⁾	64	65	38	42
Directors' remuneration	16	13	7	5
Depreciation of fixed assets and amortisation of intangible assets	8	3	3	3
Internal audit fee	5	4	2	2
	402	323	187	158

⁽¹⁾ Employee benefits

The cost of short-term employee benefits (those payable within 12 months after the service is rendered, such as paid vacation leave, sick leave and bonuses) are recognised in profit or loss in the period in which the service is rendered and are not discounted.

⁽²⁾ Share-based remuneration and employee benefits

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Share-based remuneration and employee benefits	64	65	38	42
Cash-settled share scheme	9	9	9	9
Equity-settled share scheme	29	33	29	33
Cash-settled long-term incentive plan	26	23	—	—

Cash-settled share scheme (TIP)

Vukile grants cash-settled appreciation rights to management in terms of a long-term incentive scheme. The value of these appreciation rights is linked to total shareholder return (capital gain plus dividends) over the vesting period. The cost of cash-settled transactions is measured initially at fair value at the grant date. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in the employee benefits expense. Further details are given in note 12.

Equity-settled share scheme

Vukile awards conditional shares to management in terms of the share-based payment scheme, referred to as the Conditional Share Plan (CSP). Refer to note 5.4 for further details on the CSP.

Services received or acquired in a share-based payment transaction are recognised as the services are received. A corresponding increase in equity is recognised if the services were received in an equity-settled share-based payment transaction. For equity-settled share-based payment transactions, the goods or services received, and the corresponding increase in equity, are measured directly at the fair value of the goods or services received, unless that fair value cannot be estimated reliably. If the fair value of the goods or services received cannot be estimated reliably, their value and the corresponding increase in equity are measured indirectly by reference to the fair value, at grant date, of the equity instruments granted.

When the services received or acquired in a share-based payment transaction do not qualify for recognition as assets, they are recognised as expenses. As the share-based payments granted do not vest until the counterparty completes a specified period of service and also meets various performance hurdles, the group accounts for those services on a straight-line basis over the vesting period. If the share-based payments vest immediately, the services received are recognised immediately in full.

Cash-settled long-term incentive plan – Spain

Castellana recognises an obligation to employees under a long-term incentive plan. Employee services give rise to an obligation under the long-term incentive plan even if the benefits are conditional on future employment (in other words they have not vested). The value of the liability is determined with reference to the probability of future employment as well as other performance obligations, such as FFO. The changes in the liability are recognised in the employee benefits expense. Further details are given in note 12.

Notes to the financial statements continued for the year ended 31 March 2024

31 AUDITOR'S REMUNERATION

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
External audit fees	6	6	3	3
Audit-related fees ⁽¹⁾	1	1	*	*
Non-audit fees ⁽²⁾	*	*	*	*
	7	7	3	3

* Amounts below R1 million.

⁽¹⁾ Audit-related fees was due to DMTN issuances, wind-up of subsidiary and interim Spain review.

⁽²⁾ Non-audit fees relate to agreed upon procedure engagements.

32 INVESTMENT AND OTHER INCOME

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Dividends received from subsidiaries	—	—	831	457
FEC realised/terminated	(5)	26	(5)	26
	(5)	26	826	483
Dividend income ⁽¹⁾	38	272	9	12
	33	298	835	495
Interest income	83	69	118	263
	116	367	953	758

⁽¹⁾ Dividend income for the group comprises the following: R38.4 million from Fairvest (FY23: R44 million from Fairvest Limited and R228 million from Lar España). In FY23, dividend income from Lar España amounted to R228 million. No income from Lar España was included in Vukile's and Castellana's IFRS income in FY24, since Lar España only declared their dividend for the Lar España year ended 31 December 2023 after Vukile's year-end.

33 FINANCE COSTS

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Interest-bearing borrowings	1 011	759	634	542
Intergroup interest	—	—	30	28
Lease liability	34	34	34	34
Other interest	2	1	2	1
Amortisation of debt raising fees	56	40	9	5
	1 103	834	709	610

Refer to note 25.1 for details on interest rate hedging.

Notes to the financial statements continued

for the year ended 31 March 2024

34 TAXATION

The charge for current taxation is based on the results for the year as adjusted for items which are non-taxable or disallowable and any adjustment for tax payable or receivable in previous years.

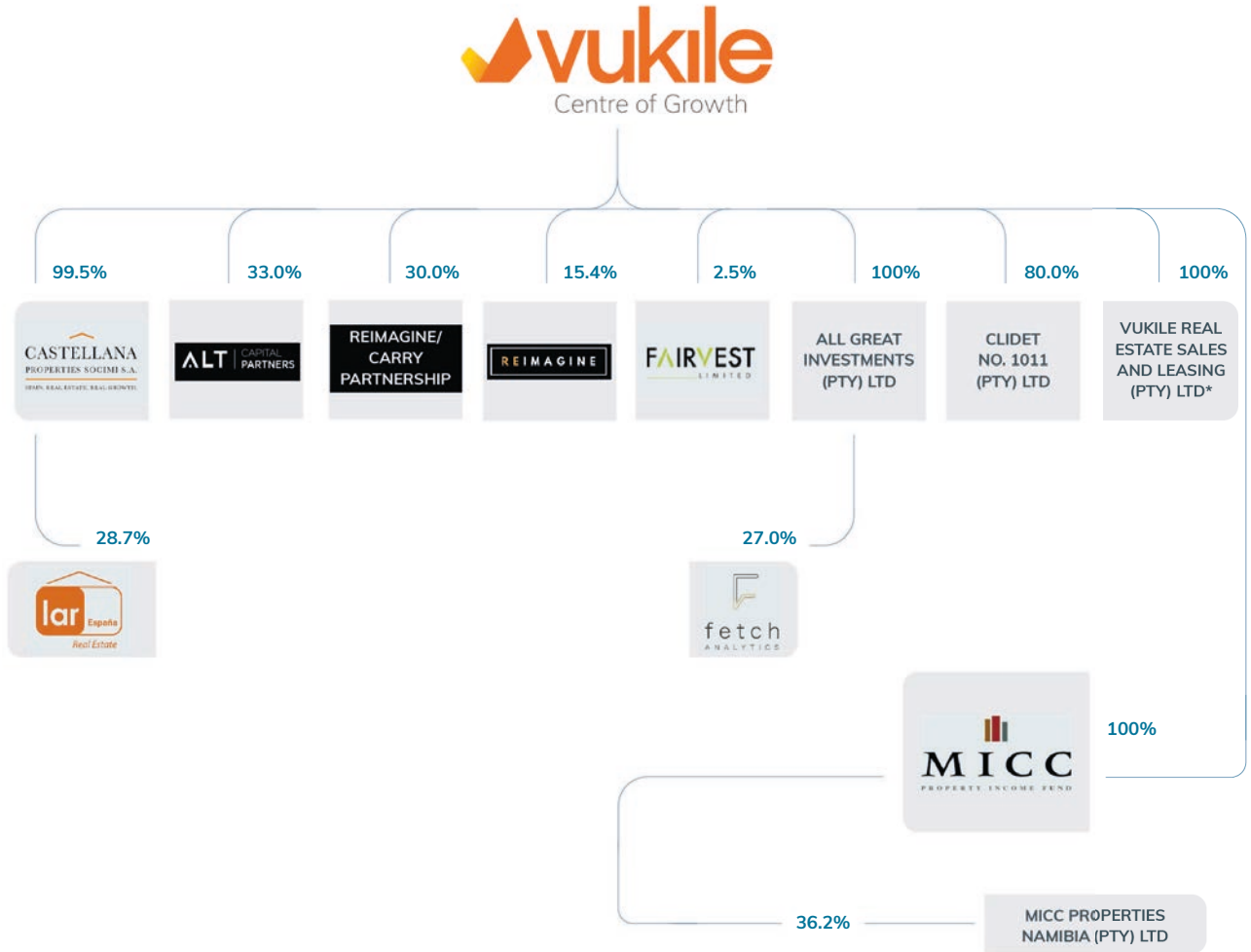
Current tax liabilities or assets for the current and prior periods are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Non-resident shareholders' tax	(11)	(7)	(11)	(6)
Total current taxation	(11)	(7)	(11)	(6)
Deferred taxation underprovision in prior year	(6)	—	—	—
Deferred taxation – refer to note 15 for the detailed composition	(17)	(28)	(11)	(26)
	(34)	(35)	(22)	(32)
Reconciliation of tax rate	%	%	%	%
Standard tax rate	27.0	27.0	27.0	27.0
Permanent differences	(3.7)	(5.9)	(1.9)	(0.6)
Fair value adjustment – investment property	(3.2)	(8.1)	(4.6)	(7.4)
Fair value adjustment – listed property securities	(3.4)	(0.1)	(2.1)	(0.5)
Fair value adjustment – subsidiaries	—	—	(5.5)	(2.6)
Fair value adjustment – executive share scheme	0.3	0.6	0.2	0.7
Share of income of associate	0.1	0.1	—	—
Non-resident shareholders' tax (NRST)	0.7	0.3	0.5	0.4
Overprovision of prior year normal taxation	0.6	—	—	—
REIT dividend	(16.3)	(12.1)	(12.7)	(15.1)
Effective tax rate	2.1	1.8	0.9	1.9

Notes to the financial statements continued for the year ended 31 March 2024

35 RELATED-PARTY TRANSACTIONS AND BALANCES

The group comprises three primary operating companies, namely Vukile, Clidet and Castellana. Clidet owns 100% of Moruleng Mall and Vukile owns 80% of the issued shares in Clidet.

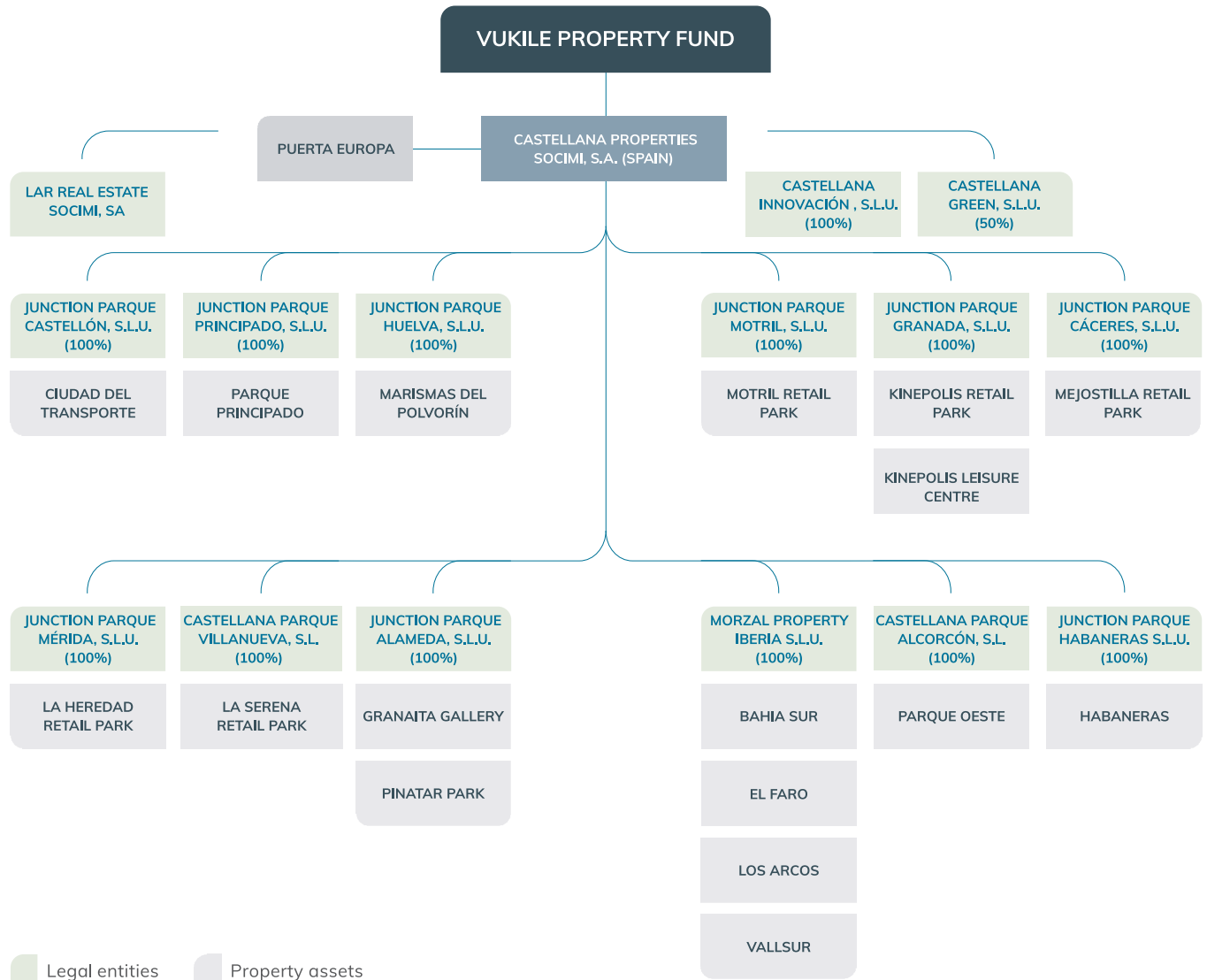


* Dormant

Notes to the financial statements continued

for the year ended 31 March 2024

35 RELATED-PARTY TRANSACTIONS AND BALANCES continued



Notes to the financial statements *continued*

for the year ended 31 March 2024

35 RELATED-PARTY TRANSACTIONS AND BALANCES *continued*

35.1 Related-party transactions and balances

		2024		2023	
Type of transaction		Amount paid/ (received) by Vukile Rm	Amount owed to/(by) related parties Rm	Amount paid/ (received) by Vukile Rm	Amount owed to/(by) related parties Rm
Group companies					
MICC Property Income Fund (MICC PIF)	Debt interest	—	—	(164)	—
MICC Property Income Fund (MICC PIF) ⁽¹⁾	Acquired shares in MICC Properties from MICC Property Income Fund	(1 766)	—	—	—
MICC Property Income Fund (MICC PIF)	Share buy-back	1 673	—	—	—
MICC Property Income Fund (MICC PIF)	Final distribution of capital	334	—	—	—
MICC Properties	Interest paid	30	244	28	303
MICC Namibia	Management fees	(5)	(1)	(5)	(1)
Clidet No. 1011	Dividends received	(16)	(9)	(16)	(7)
Clidet No. 1011	Intercompany loan	(31)	(281)	(24)	(281)
AGI	Intercompany loan	(3)	(44)	(2)	(32)
Fairvest Property Holdings Limited ⁽²⁾	Dividend received	(38)	—	(44)	—
Castellana	Dividend received	(640)	—	(441)	—
Castellana	Intercompany loan	(17)	(754)	(7)	(251)
Directors and other officers	Long-term loans granted	(22)	(281)	(17)	(281)
Key management (excluding directors)	Remuneration	17	—	14	—

⁽¹⁾ During the period MICC Income Fund a wholly owned subsidiary of Vukile was wound-up. Prior to the wind-up, the company sold its 100% shareholding in MICC Properties to Vukile, resulting in Vukile directly holding an investment in MICC Properties (previously indirect holding). The above transactions were settled through intercompany loans between the entities.

⁽²⁾ R9 million (2023: R12 million) of this amount relates to the company.

Related parties comprise the company's subsidiaries, associates, joint ventures and key management. Refer to notes 7 and 8 for information on associates and joint ventures.

Details of directors' share incentive schemes are set out in the directors' report.

Notes to the financial statements continued

for the year ended 31 March 2024

35 RELATED-PARTY TRANSACTIONS AND BALANCES continued

35.2 Directors' emoluments*

Non-executive directors' remuneration

Rand	2024 Total remuneration	2023 Total remuneration
SF Booysen	996 050	881 475
RD Mokate	1 030 970	836 200
GS Moseneke	594 500	506 450
AMSS Mokgabudi	589 550	484 300
H Ntene	594 500	506 450
NG Payne ⁽ⁱ⁾	1 233 751	1 060 550
BM Kodisang	594 500	—
JH Zehner	271 279	—
JR Formby	357 979	—
B Ngonyama ⁽ⁱⁱ⁾	391 100	711 163
Total	6 654 179	4 986 588

⁽ⁱ⁾ In addition to the above, Mr Payne earned non-executive directors' fees of €66,000 from Castellana Properties SOCIMI, a subsidiary of Vukile.

⁽ⁱⁱ⁾ Resigned from the board on 2 November 2023.

Executive directors' remuneration

Rand	Salary ⁽ⁱⁱ⁾	Short-term bonus	Distribution equivalents ⁽ⁱ⁾	Value of LTI scheme vested	2024 Total remuneration	2023 Total remuneration
Executive directors						
LG Rapp	5 773 920	6 250 000	4 389 783	4 720 205	21 133 908	19 490 127
LR Cohen	4 152 934	3 720 000	1 456 687	2 851 226	12 180 847	10 462 565
LE Pottas ⁽ⁱⁱⁱ⁾	464 625	—	—	—	464 625	—
IU Mothibeli	2 992 973	2 625 000	1 130 049	2 007 898	8 755 920	7 306 763
Total	13 384 452	12 595 000	6 976 519	9 579 329	42 535 300	37 259 455

⁽ⁱ⁾ Amount earned in respect of dividends paid as a bonus in respect of the Conditional Share Plan (CSP).

⁽ⁱⁱ⁾ Includes pension fund and life cover contributions, where applicable.

⁽ⁱⁱⁱ⁾ Appointed as executive director on 2 January 2024. Amount disclosed is for the period January 2024 to March 2024 only.

35.3 Long-term loans granted to directors'

Vukile shares	Loan balance at 31 March 2023	Loan balance at 31 March 2024
LG Rapp	76 331 623	77 911 464
LR Cohen	49 638 545	50 747 124
IU Mothibeli	32 806 668	33 476 992
GS Moseneke	28 076 934	28 609 351
Total	186 853 770	190 744 931

* Directors' emoluments were disclosed in the directors' report in the prior year.

Notes to the financial statements *continued*

for the year ended 31 March 2024

36 SEGMENT REPORT

The group identifies and presents operating segments based on the information that is provided internally to the executive management committee (Exco), the group's operating decision-making forum. This forum reviews the performance of the South African portfolio, the Castellana portfolio and other investments held by the group.

Reportable segments for the year ended 31 March 2024 are consistent with those reported as at 31 March 2023. The group's Exco evaluates the group's performance on a monthly basis based on the following geographical segments:

- South Africa
- Spain

The geographical areas are further disaggregated between retail and "other". Although the business is retail focused, it also has other assets that are non-retail. Head office and non-retail assets have been grouped into "other".

The results of the operating segments are reviewed monthly by the Exco to assess performance and make decisions regarding the allocation of capital to each of the operating segments.

The measurement policies the group uses for segment reporting under IFRS 8 are the same as those used in its financial statements to arrive at distributable earnings or funds from operations (FFO).

	South Africa			Spain			Total group Rm
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	
Group income for the year ended 31 March 2024							
Revenue ⁽ⁱ⁾	1 537	33	1 570	1 492	—	1 492	3 062
Property expenses ⁽ⁱ⁾	(247)	(6)	(253)	(154)	—	(154)	(407)
Net income from property operations	1 290	27	1 317	1 338	—	1 338	2 655
Corporate and administrative expenses	(189)	(4)	(193)	(216)	—	(216)	(409)
Investment and other income	32	1	33	—	—	—	33
Finance income	4	69	73	10	—	10	83
Loss on realisation of derivative	—	(33)	(33)	—	—	—	(33)
Income before finance costs	1 137	60	1 197	1 132	—	1 132	2 329
Finance costs	(680)	—	(680)	(423)	—	(423)	(1 103)
Income before equity-accounted income	457	60	517	709	—	709	1 226
Share of income from associate	—	6	6	—	—	—	6
Share of income from joint venture	—	1	1	—	—	—	1
Income before taxation	457	67	524	709	—	709	1 233
Taxation ⁽ⁱⁱ⁾	—	(11)	(11)	—	—	—	(11)
Income after taxation	457	56	513	709	—	709	1 222
Net income attributable to NCI	—	(4)	(4)	—	(11)	(11)	(15)
Attributable to Vukile Group	457	52	509	709	(11)	698	1 207
Non-IFRS adjustments	14	73	87	—	410	410	497
Accrued dividends	—	(1)	(1)	—	410	410	409
Non-cash impact of IFRS entries	14	(11)	3	—	—	—	3
Antecedent income	—	85	85	—	—	—	85
FFO	471	125	596	709	399	1 108	1 704

⁽ⁱ⁾ The revenue and property expenses have been reflected net of recoveries and excludes straight lining. The consolidated statements of profit or loss and consolidated statement of other comprehensive income reflects the gross property revenue and gross property expenses.

⁽ⁱⁱ⁾ Taxation excludes deferred tax.

Notes to the financial statements *continued*

for the year ended 31 March 2024

36 SEGMENT REPORT *continued*

	South Africa			Spain			Total group Rm
	Retail Rm	Other Rm	Total Rm	Retail Rm	Other Rm	Total Rm	
Group income for the year ended 31 March 2023							
Revenue ⁽ⁱ⁾	1 480	52	1 532	1 185	—	1 185	2 717
Property expenses ⁽ⁱ⁾	(243)	(9)	(252)	(144)	—	(144)	(396)
Net income from property operations	1 237	43	1 280	1 041	—	1 041	2 321
Corporate and administrative expenses	(162)	(6)	(168)	(162)	—	(162)	(330)
Investment and other income	67	2	69	—	229	229	298
Finance income	3	50	53	—	—	—	53
Net interest from CCIRS	16	—	16	—	—	—	16
Loss on realisation of derivative financial instruments	—	(19)	(19)	—	—	—	(19)
Income before finance costs	1 161	70	1 231	879	229	1 108	2 339
Finance costs	(581)	—	(581)	(253)	—	(253)	(834)
Income before equity-accounted income	580	70	650	626	229	855	1 505
Share of income from associate	—	9	9	—	—	—	9
Profit before taxation	—	1	1	—	—	—	1
Income before taxation	580	80	660	626	229	855	1 515
Taxation ⁽ⁱⁱ⁾	(7)	—	(7)	—	—	—	(7)
Income after taxation	573	80	653	626	229	855	1 508
Net income attributable to NCI	—	(5)	(5)	—	(85)	(85)	(90)
Attributable to Vukile Group	573	75	648	626	144	770	1 418
Non-IFRS adjustments	15	(10)	5	—	(7)	(7)	(2)
FEC early terminated	—	—	—	—	58	58	58
Accrued dividends	—	(5)	(5)	—	(65)	(65)	(70)
Non-cash impact of IFRS entries	15	(5)	10	—	—	—	10
FFO	588	65	653	626	137	763	1 416

⁽ⁱ⁾ The revenue and property expenses have been reflected net of recoveries and excludes straight lining. The consolidated statements of profit or loss and consolidated statement of other comprehensive income reflects the gross property revenue and gross property expenses.

⁽ⁱⁱ⁾ Taxation excludes deferred tax.

Notes to the financial statements continued

for the year ended 31 March 2024

37 CAPITAL MANAGEMENT

The group's capital management objectives are:

- To ensure the group's ability to continue as a going concern
- To safeguard and optimise the group's strong liquidity position
- To provide an adequate return to shareholders by pricing services commensurately with the level of risk

The group monitors capital on the basis of the carrying amount of equity less cash and cash equivalents as presented in the statement of financial position.

Capital for the reporting period under review is summarised as follows:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Total equity	23 803	20 077	23 810	19 766
Derivative liabilities	92	281	92	281
Cash and cash equivalents	(2 353)	(1 387)	(1 576)	(685)
Capital	21 542	18 971	22 326	19 362
Total equity	23 803	20 077	23 810	19 766
Borrowings	18 712	17 027	8 647	7 587
Overall financing (total equity plus borrowings)	42 515	37 104	32 457	27 353
Capital-to-overall financing ratio (%)	50.7	51.1	68.8	70.8

Management assesses the group's capital requirements in order to maintain an efficient overall financing structure. The group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The board's policy is to maintain a strong capital base, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The board aims to limit borrowings to not more than 50% of property assets over the long term.

There were no changes in the group's approach to capital management during the year. Vukile continues to comply with all of its bank and corporate bond covenants.

Covenants	2024	2023
LTV ratio (net of cash and cash equivalents)	40.7 %	42.6 %
LTV covenant level ⁽¹⁾	50.0 %	50.0 %
Interest cover ratio	2.3 times	3.1 times
Interest cover ratio covenant level	2 times	2 times

⁽¹⁾ Castellana's LTV covenant level is 65%.

38 FUTURE MINIMUM LEASE INCOME

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Receivable within one year	2 478	2 440	1 065	1 043
Receivable between one and five years	4 098	3 471	1 981	1 628
Receivable after five years	1 989	2 068	1 316	1 499
Total future contractual lease revenue	8 565	7 979	4 362	4 170
Rental straight-line adjustment already accrued	(346)	(384)	(281)	(301)
Future straight-line lease revenue	8 219	7 595	4 081	3 869

Notes to the financial statements continued for the year ended 31 March 2024

39 LEASE COMMITMENTS

The group leases the following assets under non-cancellable leases:

	Term
Land leases	20-50 years
Office equipment	5 years

The office equipment refers to printers and copiers that are low-value items recognised as an expense. The land leases are accounted for in terms of IFRS 16 by recognising a right-of-use asset and lease liability. Refer to note 21 for lease liability disclosures. The right-of-use asset is disclosed in note 3.

The total minimum future payments for non-cancellable leases are as follows:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Less than one year	22	22	21	21
Premises	1	1	—	—
Land leases	21	21	21	21
Between one and five years	104	100	104	100
Land leases	100	100	100	100
Office equipment	4	—	4	—
More than five years	1 084	1 086	1 080	1 082
Land leases	1 084	1 086	1 080	1 082
Total	1 210	1 208	1 205	1 203

40 CAPITAL COMMITMENTS

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Authorised and contracted	1 221	358	535	89
Authorised but not contracted	517	1 168	194	580

In the prior year, Vukile committed R200 million to REImagine Social Impact Retail Fund as an equity investment, of which R45 million has been invested until 31 March 2024. Refer to note 5.

Authorised projects also include R261 million, of which R224 million has already been contracted, relating to an investment in sustainable backup power in South Africa.

Capital commitments of c.€49 million in Spain relate to value-add development projects on investment property.

The above capital expenditure will be funded by way of bank facilities, surplus cash and proceeds from the sale of non-core assets.

Notes to the financial statements continued

for the year ended 31 March 2024

41 NON-CURRENT ASSETS HELD FOR SALE

At year-end, the sales of the following properties are unconditional and it is highly probable that transfer will occur within the next 12 months.

	Note	GROUP		COMPANY	
		2024 Rm	2023 Rm	2024 Rm	2023 Rm
Non-current assets held for sale					
Sandton Bryanston Ascot Offices		16	—	16	—
Rustenburg Edgars Building		—	62	—	62
Piet Retief Shopping Centre		—	111	—	—
		16	173	16	62
Straight-line rental income adjustment	4	—	(5)	—	(2)
Straight-line rental income asset	4	—	5	—	2
		16	173	16	62

42 RECONCILIATION OF EARNINGS TO HEADLINE EARNINGS

GROUP	31 March 2024		31 March 2023	
	Rm	Cents per share	Rm	Cents per share
Profit attributable to owners of the parent	1 587	152.27	1 932	197.10
Earnings and diluted earnings	1 587	152.27	1 932	197.10
Change in fair value of investment property	(195)	(18.69)	(625)	(63.79)
Non-controlling interest (NCI) portion of fair value changes in investment property	9	0.82	16	1.62
Remeasurement of right-of-use asset	(14)	(1.31)	(15)	(1.57)
(Profit)/loss on sale of investment property	(11)	(1.09)	6	0.64
Profit on joint operation acquisition/disposal	—	—	(2)	(0.25)
Loss on sale of joint venture	—	—	16	1.61
Remeasurement included in equity-accounted earnings of associate	(7)	(0.66)	(6)	(0.64)
Headline and diluted headline earnings	1 369	131.34	1 322	134.72
Number of shares in issue at year-end	1 104 719 779		980 226 628	
Weighted average number of shares	1 042 385 772		980 226 628	

There are no dilutionary shares in issue.

Notes to the financial statements *continued* for the year ended 31 March 2024

43 PROFIT/(LOSS) ON DISPOSALS

The table below provides further details on the profit/(loss) on disposals:

	GROUP		COMPANY	
	2024 Rm	2023 Rm	2024 Rm	2023 Rm
Profit/(loss) on sale of investment property	11	(6)	3	(6)
Profit on acquisition/disposal of joint operations	—	2	—	2
Loss on wind-up of subsidiary	—	—	(3)	—
Loss on sale of joint venture ⁽¹⁾	—	(16)	—	(16)
	11	(20)	—	(20)

⁽¹⁾ Prior year loss relates to the sale of Joint Venture in DREAM.

44 FAIR VALUE GAIN/(LOSS) ON FINANCIAL INSTRUMENTS

The table below provides further details on the gain/(loss) on financial instruments:

	Note	GROUP		COMPANY	
		2024 Rm	2023 Rm	2024 Rm	2023 Rm
Fair value gain/(loss) on property securities	5	58	(28)	13	(9)
Fair value gain/(loss) on other financial instruments	5, 24	138	(5)	138	(5)
		196	(33)	151	(14)

Notes to the financial statements *continued* for the year ended 31 March 2024

45 PROCEEDS ON DISPOSAL OF INVESTMENT PROPERTY

The table below provides further details on the proceeds on disposal of investment property:

	Note	GROUP		COMPANY	
		2024 Rm	2023 Rm	2024 Rm	2023 Rm
Carrying amount of investment property before sale	3	172	311	61	311
Profit/(loss) on disposal	43	9	(4)	3	(4)
		181	307	64	307
Deferred receivable (vendor loan)	13	—	(29)	—	(29)
Proceeds on disposal of investment property		181	278	64	278

46 EVENTS AFTER REPORTING PERIOD

i. Declaration of dividend

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.

On 5 June 2024, the board approved a final dividend of 72.18 cents per share for the year ended 31 March 2024, (31 March 2023: 65.11 cents) amounting to R797 million (31 March 2023: R675 million). The dividend represents a payout ratio of 79% of the total group FFO.

ii. Purchase of Mall of Mthatha (formerly BT Ngebs City)

Subsequent to year-end, the purchase of 50% of Mall of Mthatha (formerly BT Ngebs City) for R400 million (Vukile share) was finalised on 22 April 2024. In line with IAS 10 – *Events after the Reporting Period*, the acquisition is a non-adjusting event that is not recognised in the financial statements.

iii. Green- and sustainability-linked loan

In April 2024, Vukile secured R1.1 billion of funding through a green loan and a sustainability-linked loan with Absa. The loans, which are refinancing existing debt facilities, will specifically be directed to Vukile's solar PV project and linked to sustainability targets. In line with IAS 10 – *Events after the Reporting Period*, the additional loan funding is a non-adjusting event that is not recognised in the financial statements.

iv. Sale of shareholding in Fairvest Limited

In line with our corporate strategy of disposing of non-core assets, Vukile sold its remaining 2.5% interest in Fairvest on 16 May 2024. The 38.7 million shares realised sale proceeds of c.R141 million. In line with IAS 10 – *Events after the Reporting Period*, the disposal is a non-adjusting event that is not recognised in the financial statements.

iv. Sale of investment property

On 22 May 2024, Sandton Bryanston Ascot Offices was transferred at a selling price of c.R15 million (excluding VAT). In line with IAS 10 – *Events after the Reporting Period*, the disposal is a non-adjusting event that is not recognised in the financial statements.

Annexure A – Portfolio information

SOUTH AFRICAN PORTFOLIO

Geographical profile

Vukile's portfolio is well represented in most South African provinces. At the same time, it is focused on high-growth nodes with 78% of the gross income from Gauteng, KwaZulu-Natal, Free State and Western Cape.

	% of gross income	% of GLA
Gauteng	38	44
KwaZulu-Natal	23	16
Free State	9	10
Western Cape	8	7
Eastern Cape	8	8
Limpopo	8	7
Mpumalanga	3	5
North West	3	3

Sectoral profile

Based on value, 96.7% of the South African portfolio is in the retail sector, followed by 1.5% in the office, 1.1% in the motor-related sector, 0.4% in the industrial sector and 0.3% in the residential sector.

Tenant profile

Large national and listed tenants and major franchises account for 83% of our tenants by rentable area.

	% of rent		% of GLA	
	Retail	Total portfolio	Retail	Total portfolio
A – Large national and listed tenants and major franchises	72	71	74	74
B – National and listed tenants, franchises and medium to large professional firms	10	10	10	9
C – Other (932 tenants)	18	19	16	17

Vacancy profile

The total portfolio's vacancy (based on GLA) marginally increased from 2.6% in March 2023 to 2.7% driven primarily by the vacant Sandton Bryanston Ascot Office Park, which has contributed 26.3% to overall vacancies. The sale of the asset has been finalised and transferred post FY24 year-end, leaving the overall vacancies at 2.0%.

The focused in-house leasing drive to fill vacancies resulted in reducing the all-important retail vacancies to 1.9%. A material part of the current retail vacancies is due to office lettable area within the retail environment. Core retail vacancies excluding this office component is 1.2%.

Retail office vacancies are at Mbombela Shoprite, Randburg Square and Daveyton Mall which are 3 153m², 1 150m² and 696m² respectively. Projects that will explore alternative use and potential conversions are being explored for the retail office vacancy market which currently has low levels of demand.

There has been significant traction in leasing residential units following a marketing intervention to improve our offering with value-add services such as Wi-Fi offered to tenants.

	31 March 2024 %	31 March 2023 %
Vacancies (% of GLA)		
Retail	1.9	2.0
Offices	26.8	23.3
Motor-related	—	—
Industrial	—	—
Residential	3.2	3.8
Total	2.7	2.6

Annexure A – Portfolio information *continued*

SOUTH AFRICAN PORTFOLIO *continued*

Lease expiry profile

The South African lease expiry profile shows that 33% of the leases based on rentals are due for renewal in FY25, with 33% due to expire in FY28 and beyond. Based on GLA, 36% of leases are due to expire in FY28 and beyond.

	FY25	FY26	FY27	FY28	Beyond FY28	
% of contractual rent	33	16	18	14	19	
Cumulative	33	49	67	81	100	
	Vacant	FY25	FY26	FY27	FY28	Beyond FY28
% of GLA	2.7	30	15	16	12	24
Cumulative	2.7	33	48	64	76	100

Weighted average rental per m2

The weighted average base rental rates (excluding recoveries) increased by 6.1% from R158.34/m² to R167.97/m² during the year to date.

	31 March 2024 R/m ²	31 March 2023 R/m ²	Escalation %
Base rental rates (excluding recoveries)			
Retail	170.52	159.96	6.60
Offices	124.05	119.17	4.10
Motor-related ⁽ⁱ⁾	186.19	210.55	(11.60)
Industrial ⁽ⁱⁱ⁾	60.00	87.96	(31.80)
Residential	115.95	113.79	1.90
Portfolio weighted average base rentals	167.97	158.34	6.10

⁽ⁱ⁾ Expiry rental on Bellville Barons included tenant installation, renewal rental now comprises only of basic rental, excluding the historical tenant installation portion.

⁽ⁱⁱ⁾ The lower rental rate on industrial properties is due to the replacement of a historical long-term single tenant at a market-related rent.

	31 March 2024 %	31 March 2023 %
In-contract escalation rates		
Retail	6.3	6.3
Offices	7.4	7.4
Motor-related	7.0	7.0
Industrial	6.0	
Total	6.3	6.3

Average annualised property yield

The directors have valued the South African property portfolio at R15.5 billion⁽ⁱ⁾ with a forward yield of 8.7% on 31 March 2024. The value of the stable portfolio (excluding sales), at an average value density of R19 683/m² (retail R20 200/m²), is R577 million or 3.9% higher than the March 2023 value.

The external valuations by Quadrant Properties (Pty) Ltd and Knight Frank (Pty) Ltd are in line with the directors' valuations.

⁽ⁱ⁾ The South African property portfolio value takes into account Moruleng Mall at 80%, whereas in the audited consolidated financial statements, the group property value reflects 100% of Clidet No 1011 (Pty) Ltd, which owns Moruleng Mall.

Annexure A – Portfolio information continued

SPANISH PORTFOLIO

Geographical profile

The geographic distribution of the Spanish portfolio is indicated in the table below. 73% of the gross income comes from Andalusia, Extremadura, Com. Valenciana and Castilla Leon.

	% of rental income	% of GLA
Andalusia	51	46
Extremadura	21	26
Castilla Leon	10	7
Com. Valenciana	9	9
Madrid	4	4
Asturias	3	4
Murcia	2	4

Sector profile

Based on value, 100% of the Spanish portfolio is in the retail sector.

Tenant profile

Large international and national tenants account for 95% of tenants by GLA.

	% of rental income	% of GLA
Large international and national tenants	94	95
Local tenants	6	5

Vacancy profile

The portfolio's vacancy rate at 31 March 2024 was 1.1%.

	31 March 2024 %	31 March 2023 %
Vacancies (% of GLA)		
Shopping centres	1.40	1.76
Retail parks	0.80	0.77
Total	1.12	1.30

Expiry profile

Castellana has a 12.6-year tenant expiry profile and 2.4 years to break with 53% of contractual GLA expiring in FY34 and beyond.

The expiry profile as a percentage of contractual rent is shown below.

	March 2025 %	March 2026 %	March 2027 %	March 2028 %	March 2029 %	March 2030 %	March 2031 %	March 2032 %	March 2033 %	March 2034 %	Beyond March 2034 %
% of contractual rent	10	6	4	4	7	4	3	4	6	7	45
Cumulative	10	16	20	24	31	35	38	42	48	55	100

	Vacant	March 2025 %	March 2026 %	March 2027 %	March 2028 %	March 2029 %	March 2030 %	March 2031 %	March 2032 %	March 2033 %	March 2034 %	Beyond March 2034 %
% of GLA	1	14	2	2	3	5	3	2	3	6	6	53
Cumulative	1	15	17	19	22	27	30	32	35	41	47	100

Annexure A – Portfolio information continued

Weighted average rental per m²

The Castellana portfolio's weighted average rental has increased by 4.7% to €16.91/m².

	31 March 2024 €/m²	31 March 2023 €/m ²	Escalation %
Shopping centres	22.09	20.84	6.0
Retail parks	11.05	10.56	4.6
Portfolio weighted average base rentals	16.91	16.15	4.7

	31 March 2024 %	31 March 2023 %
In-contract escalation rates		
Shopping centres	7.0	4.0
Retail parks	4.0	4.0
Total	5.0	8.0

Average annualised property yield

The Spanish portfolio was independently valued by Colliers at €1 027 million (R20.4 billion) at 31 March 2024 (31 March 2023: €1 012 million or R19.5 billion), representing a 1.4% like-for-like increase in value over FY24, with a forward yield of 6.6% on 31 March 2024.

Annexure B – Detailed property information

Properties owned by the group At 31 March 2024	Town	Gross lettable area (GLA) m ²	Effective date of acquisition	Weighted average rental R/m ² pm	Vacancy by GLA %
South Africa total		796 109		168.0	2.7
South Africa – retail		749 696		170.5	1.9
Atlantis City Shopping Centre	Atlantis	21 983	Feb 2015	189.3	3.0
Bloemfontein Plaza	Bloemfontein	44 157	Apr 2004	106.7	0.4
Boksburg East Rand Mall (50%)	Boksburg	34 405	Apr 2013	264.6	—
Daveyton Shopping Centre	Daveyton	19 859	Apr 2004	233.5	3.5
Durban Phoenix Plaza	Durban	24 072	Apr 2004	313.2	1.3
Durban Workshop*	Durban	19 993	Apr 2012	259.9	3.0
Elim Hubyeni Shopping Centre	Elim	12 686	Feb 2015	125.4	1.3
Emalahleni Highland Mews	Emalahleni	16 880	Feb 2015	149.8	4.5
Ermelo Game Centre	Ermelo	6 640	Feb 2015	111.9	7.0
Ga-Kgapane Modjadji Plaza (30%)	Ga-Kgapane	2 940	Mar 2014	186.8	—
Germiston Meadowdale Mall (67%)	Germiston	33 146	Oct 2003	110.5	—
Giyani Plaza	Giyani	9 446	Jul 2011	182.1	—
Gugulethu Square	Gugulethu	25 697	Feb 2015	204.0	1.1
Hammanskraal Renbro Shopping Centre	Hammanskraal	13 489	Feb 2015	161.8	3.3
Hammarsdale Junction*	Hammarsdale	20 105	Jul 2013	166.0	—
KwaMashu Shopping Centre	KwaMashu	11 035	Feb 2015	145.4	1.6
Mbombela Shoprite Centre	Mbombela	14 015	Sep 2010	112.6	22.7
Mdantsane City Shopping Centre	East London	36 266	Nov 2019	154.8	2.3
Moruleng Mall (Results displayed as 100% ownership)*	Moruleng	31 558	Apr 2015	153.7	0.6
Phuthaditjhaba Maluti Crescent	Phuthaditjhaba	35 741	Feb 2015	184.5	0.5
Pietermaritzburg The Victoria Centre	Pietermaritzburg	10 288	Oct 2003	152.2	1.0
Pinetown Pine Crest	Pinetown	43 716	Apr 2004	220.9	0.6
Pretoria Kolonnade Retail Park	Pretoria	39 660	Nov 2018	146.3	—
Queenstown Nonesi Mall	Queenstown	27 881	Jul 2015	169.7	—
Randburg Square	Randburg	40 777	Apr 2004	111.4	7.6
Roodepoort Hillfox Value Centre	Roodepoort	37 562	Oct 2003	100.5	1.7
Roodepoort Ruimsig Shopping Centre	Roodepoort	11 594	Feb 2015	168.6	4.2
Soweto Dobsonville Mall	Soweto	26 438	Apr 2004	195.9	—
Springs Mall (28%)	Springs	14 951	Mar 2017	196.5	—
Thohoyandou Thavhani Mall (33.33%)	Thohoyandou	17 779	Aug 2017	209.1	—
Tzaneen Maake Plaza (70%)*	Tzaneen	10 988	Aug 2014	163.2	1.3
Vereeniging Bedworth Centre	Vereeniging	33 950	Nov 2015	87.9	1.7

* Leasehold property.

Annexure B – Detailed property information *continued*

Properties owned by the group At 31 March 2024	Town	GLA m ²	Effective date of acquisition	Weighted average rental R/m ² pm	Vacancy by GLA %
South Africa – other, comprising:					
Auto dealerships					
Cape Town Bellville Barons	Cape Town	7 426	Apr 2012	186.2	—
Industrial					
Midrand Sanitary City	Midrand	6 342	Apr 2004	60.0	—
Office					
Jhb Houghton Estate Oxford Terrace	Johannesburg	2 588	Jul 2014	134.9	31.7
Midrand Ulwazi Building	Midrand	15 634	Apr 2004	122.9	—
Residential					
Randburg Square Apartments	Randburg	8 885	Apr 2004	116.0	3.2
Vacant land					
Germiston Meadowdale Mall Undeveloped Land	Germiston	—	Oct 2003	—	—
Midrand IBG Undeveloped Land	Midrand	—	Mar 2014	—	—
Held for sale					
Sandton Bryanston Ascot Offices	Sandton	5 539	Apr 2012	—	100.0

	Town	GLA m ²	Effective date of acquisition	Weighted average rental €/m ² pm	Vacancy by GLA %
Spain total					
El Faro	Extremadura	62 160	Jul 2018	22.8	1.7
Bahía Sur	Andalucia	35 420	Jul 2018	25.9	0.8
Los Arcos	Andalucia	26 774	Jul 2018	27.0	2.4
Granaita Retail Park	Andalucia	55 588	Jun 2017	11.4	1.8
Habaneras	Com. Valenciana	24 892	May 2018	20.2	2.3
Puerta Europa	Algeciras	29 783	July 2019	18.1	—
Vallsur	Castilla Leon	35 211	Jul 2018	17.3	1.2
Parque Oeste	Madrid	13 604	Jun 2017	18.2	2.6
Parque Principado	Asturias	16 090	Jun 2017	12.5	—
Marismas del Polvorín	Andalucia	19 052	Jun 2017	8.7	—
La Heredad	Extremadura	13 447	Jun 2017	9.1	—
La Serena	Extremadura	12 405	Jun 2017	8.7	—
Pinatar Park	Murcia	13 262	Dec 2017	9.6	—
Mejostilla	Extremadura	7 317	Jun 2017	7.9	—
Motril Retail Park	Andalucia	5 559	Jun 2017	10.4	—
Ciudad del Transporte	Com. Valenciana	3 250	Jun 2017	12.9	—

Annexure B – Detailed property information *continued*

Properties owned by the group At 31 March 2023	Town	Gross lettable area (GLA) m ²	Effective date of acquisition	Weighted average rental R/m ² pm	Vacancy by GLA %
South Africa total		813 358		158.3	2.6
South Africa – retail		749 614		161.0	2.0
Atlantis City Shopping Centre	Atlantis	21 983	Feb 2015	181.2	2.0
Bloemfontein Plaza	Bloemfontein	44 157	Apr 2004	103.9	1.0
Boksburg East Rand Mall (50%)	Boksburg	34 290	Apr 2013	263.3	1.6
Daveyton Shopping Centre	Daveyton	19 859	Apr 2004	218.6	6.0
Durban Phoenix Plaza	Durban	24 072	Apr 2004	301.1	0.8
Durban Workshop*	Durban	20 000	Apr 2012	245.1	4.7
Elim Hubyeni Shopping Centre	Elim	12 686	Feb 2015	118.6	9.1
Emalahleni Highland Mews	Emalahleni	16 927	Feb 2015	140.5	3.5
Ermelo Game Centre	Ermelo	6 639	Feb 2015	111.4	11.7
Ga-Kgapane Modjadji Plaza (30%)	Ga-Kgapane	2 940	Mar 2014	175.5	—
Germiston Meadowdale Mall (67%)	Germiston	33 146	Oct 2003	103.4	—
Giyani Plaza	Giyani	9 446	Jul 2011	172.1	—
Gugulethu Square	Gugulethu	25 699	Feb 2015	195.4	1.1
Hammanskraal Renbro Shopping Centre	Hammanskraal	13 489	Feb 2015	154.5	2.2
Hammarsdale Junction*	Hammarsdale	20 105	Jul 2013	158.9	—
KwaMashu Shopping Centre	KwaMashu	11 035	Feb 2015	137.0	3.6
Mbombela Shoprite Centre	Mbombela	14 015	Sep 2010	106.0	16.0
Mdantsane City Shopping Centre	East London	36 614	Nov 2019	146.0	—
Moruleng Mall (results displayed as 100% ownership)*	Moruleng	31 558	Apr 2015	146.6	—
Phuthaditjhaba Maluti Crescent	Phuthaditjhaba	35 741	Feb 2015	176.3	—
Pietermaritzburg The Victoria Centre	Pietermaritzburg	10 288	Oct 2003	146.1	1.5
Pinetown Pine Crest	Pinetown	43 345	Apr 2004	211.6	0.5
Pretoria Kolonnade Retail Park	Pretoria	39 660	Nov 2018	137.8	—
Queenstown Nonesi Mall	Queenstown	27 881	Jul 2015	161.0	—
Randburg Square	Randburg	40 777	Apr 2004	113.2	6.5
Roodepoort Hillfox Power Centre	Roodepoort	37 562	Oct 2003	95.9	1.4
Roodepoort Ruimsig Shopping Centre	Roodepoort	11 594	Feb 2015	153.6	3.8
Soweto Dobsonville Mall	Soweto	26 438	Apr 2004	184.2	1.2
Springs Mall (28%)	Springs	14 951	Mar 2017	187.8	—
Thohoyandou Thavhani Mall (33.33%)	Thohoyandou	17 779	Aug 2017	199.6	0.6
Tzaneen Maake Plaza (70%)*	Tzaneen	10 988	Aug 2014	155.5	—
Vereeniging Bedworth Centre	Vereeniging	33 950	Nov 2015	83.9	3.1

* Leasehold property.

Annexure B – Detailed property information *continued*

Properties owned by the group At 31 March 2023	Town	GLA m ²	Effective date of acquisition	Weighted average rental R/m ² pm	Vacancy by GLA %
Southern Africa – other, comprising:					
Auto dealerships		7 426		210.6	—
Cape Town Bellville Barons	Cape Town	7 426	Apr 2012	210.6	—
Industrial		6 342		88.0	—
Midrand Sanitary City	Midrand	6 342	Apr 2004	88.0	—
Office		23 761		119.2	23.3
Jhb Houghton Estate Oxford Terrace	Johannesburg	2 588	Jul 2014	149.9	—
Midrand Ulwazi Building	Midrand	15 634	Apr 2004	114.3	—
Sandton Bryanston Ascot Offices	Sandton	5 539	Apr 2012	—	100.0
Residential		8 885		113.8	3.8
Randburg Square Apartments	Randburg	8 885	Apr 2004	113.8	3.8
Vacant land		—		—	—
Germiston Meadowdale Mall Undeveloped Land	Germiston	—	Oct 2003	—	—
Midrand IBG Undeveloped Land	Midrand	—	Mar 2014	—	—
Held for sale		17 330		116.5	2.4
Rustenburg Edgars Building	Rustenburg	9 785	Apr 2004	95.0	—
Piet Retief Shopping Centre	Piet Retief	7 545	Nov 2007	146.1	5.6
	Town	GLA m²	Effective date of acquisition	Weighted average rental €/m² pm	Vacancy by GLA %
Spain total		350 926		16.2	1.3
El Faro	Extremadura	40 718	Jul 2018	21.5	1.8
Bahía Sur	Andalucia	35 297	Jul 2018	24.5	1.2
Los Arcos	Andalucia	26 577	Jul 2018	25.7	5.1
Granaita Retail Park	Andalucia	54 633	Jun 2017	11.1	0.6
Habaneras	Com. Valenciana	24 892	May 2018	19.8	1.4
Puerta Europa	Algeciras	29 783	July 2019	17.4	0.1
Vallsur	Castilla Leon	35 879	Jul 2018	16.2	1.1
Parque Oeste	Madrid	13 604	Jun 2017	18.1	—
Parque Principado	Asturias	16 090	Jun 2017	11.2	—
Marismas del Polvorín	Andalucia	18 220	Jun 2017	8.6	0.8
La Heredad	Extremadura	13 447	Jun 2017	8.8	—
La Serena	Extremadura	12 405	Jun 2017	8.1	—
Pinatar Park	Murcia	13 291	Dec 2017	7.7	5.8
Mejostilla	Extremadura	7 281	Jun 2017	7.5	—
Motril Retail Park	Andalucia	5 559	Jun 2017	10.1	—
Ciudad del Transporte	Com. Valenciana	3 250	Jun 2017	12.5	—

SHAREHOLDERS' INFORMATION

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Shareholders' analysis for the year ended 31 March 2024

Shareholders' analysis of ordinary shareholders as at 31 March 2024

Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
1 – 1 000 shares	10 259	59.2	969 003	0.1
1 001 – 10 000 shares	4 739	27.4	19 472 214	1.7
10 001 – 100 000 shares	1 710	9.9	49 541 497	4.5
100 001 – 1 000 000 shares	439	2.5	141 939 903	12.9
Over 1 000 000 shares	173	1.0	892 797 162	80.8
Total	17 320	100	1 104 719 779	100
Distribution of shareholders⁽ⁱ⁾				
Assurance companies	74	0.44	20 152 679	1.83
Close corporations	72	0.42	3 250 041	0.29
Collective investment schemes	410	2.37	370 030 391	33.50
Custodians	19	0.11	2 749 708	0.25
Foundations and charitable funds	115	0.66	10 625 387	0.96
Hedge funds	7	0.04	9 261 357	0.84
Insurance companies	5	0.03	153 354	0.01
Investment partnerships	32	0.18	485 340	0.04
Managed funds	39	0.23	17 785 784	1.61
Medical aid funds	25	0.14	10 796 867	0.98
Organs of State	9	0.05	227 669 671	20.61
Private companies	276	1.59	80 025 246	7.24
Public companies	28	0.16	12 359 220	1.12
Public entities	5	0.03	1 204 635	0.11
Retail shareholders	13 604	78.55	52 264 508	4.73
Retirement benefit funds	1 620	9.35	216 641 243	19.61
Scrip lending	12	0.07	27 687 641	2.51
Sovereign funds	2	0.01	7 559 249	0.68
Stockbrokers and nominees	23	0.13	7 830 778	0.71
Trusts	943	5.44	26 186 680	2.37
Total	17 320	100.00	1 104 719 779	100.00

⁽ⁱ⁾ Pursuant to the provisions of section 56 of the Companies Act, 2008, disclosures from foreign nominee companies have been included in this analysis.

Shareholder type				
Non-public shareholders	6	0.03	9 715 413	0.88
Directors and associates	6	0.03	9 715 413	0.88
Public shareholders	17 314	99.97	1 095 004 366	99.12
Total	17 320	100.00	1 104 719 779	100.00

Shareholders' analysis continued for the year ended 31 March 2024

Shareholders' analysis of ordinary shareholders as at 31 March 2024 continued

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Public Investment Corporation	182 703 488	16.54
Catalyst Fund Managers	76 913 862	6.96
Sesfikile Capital	59 516 693	5.39
Meago Asset Management	58 388 876	5.29
Old Mutual Investment Group	42 560 717	3.85
Vanguard Investment Management	36 855 676	3.34
Sanlam Investment Management	36 153 013	3.27
Truffle Asset Management	34 094 159	3.09
Total	527 186 484	47.73

Beneficial shareholders with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
Government Employees Pension Fund	210 516 470	19.06
Sanlam Group	58 279 482	5.28
Eskom Pension and Provident Fund	54 189 983	4.91
Encha Properties Equity Investments	52 881 466	4.79
Vanguard	36 855 676	3.34
Old Mutual Group	34 359 277	3.11
Stanlib	33 911 894	3.07
Total	480 994 248	43.56

	Number of shareholdings
Total number of shareholdings	17 320
Total number of shares in issue	1 104 719 779
Share price performance	
Opening price 1 April 2023	R12.49
Closing price 31 March 2024	R15.18
Closing high for the year	R15.55
Closing low for the year	R11.85
Number of shares in issue	1 104 719 779
Volume traded during year	468 207 297
Ratio of volume traded to shares issued (%)	42.38
Rand value traded during the year	R6 352 592 683
Market capitalisation at 31 March 2024	R16 769 646 245

Shareholders' diary

for the year ended 31 March 2024

Financial year-end	31 March 2024
Publication of audited consolidated financial statements	5 June 2024
Interim period end	30 September 2024
AGM	2 September 2024

Corporate information continued

DIRECTORS

Nigel Payne ^{(e)(f)}	Chairman, independent non-executive director	^(e) Member of social, ethics and human resources committee. ^(f) Chairman of nominations committee.
Laurence Rapp ^{(a)(g)}	Chief Executive Officer	^(a) Executive. ^(g) Member of property and investment committee.
Laurence Cohen ^{(a)(4)}	Chief Financial Officer	^(a) Executive.
Lizelle Pottas ^{(1)(a)}	FD	^(a) Executive.
Itumeleng Mothibeli ^{(a)(g)}	MD: SA	^(a) Executive. ^(g) Member of property and investment committee.
Sedise Moseneke ^(g)	non-executive director	^(g) Member of property and investment committee.
Steve Booysen ^{(d)(g)(f)}	independent non-executive director	^(d) Chairman of social, ethics and human resources committee. ^(g) Chairman of property and investment committee. ^(f) Member of nominations committee.
Renosi Mokate ^{(b)(e)(f)}	independent non-executive director (lead)	^(e) Member of social, ethics and human resources committee. ^(b) Chairman of ARC. ^(f) Member of nominations committee.
Tshidi Mokgabudi ^(c)	independent non-executive director	^(c) Member of ARC.
Hatla Ntene ^(g)	independent non-executive director	^(g) Member of property and investment committee.
Jon Zehner ^{(2)(g)}	independent non-executive director	^(g) Member of property and investment committee.
James Formby ^{(2)(c)(e)}	independent non-executive director	^(c) Member of ARC ^(e) Member of social, ethics and human resources committee.
NP Dongwana ^{(3)(c)}	independent non-executive director	^(c) Member of ARC.
BM Kodisang ^(g)	non-executive director	^(g) Member of property and investment committee.

⁽¹⁾ Appointed 02 January 2024.

⁽²⁾ Appointed 22 September 2023.

⁽³⁾ Appointed 01 April 2024.

⁽⁴⁾ Stepped down as executive director effective 31 March 2024.

GROUP SECRETARY AND REGISTERED OFFICE

Johann Neethling	4th Floor, 11 9th Street, Houghton Estate, 2198	PO Box 522779, Saxonwold, 2132
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SPONSOR SOUTH AFRICA

Java Capital	6th Floor, 1 Park Lane, Wierda Valley, Sandton, 2196	PO Box 522606, Saxonwold, 2132
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LISTING INFORMATION SOUTH AFRICA

Vukile was listed on the JSE Limited on 24 June 2004 and on the Namibian Stock Exchange on 11 July 2007.

JSE code: VKE

NSX code: VKN

ISIN: ZAE000180865

Sector: Financial – retail REITs

Corporate information continued

TRANSFER SECRETARIES

JSE Investor Services (Pty) Ltd	13th Floor, 19 Ameshoff Street, Braamfontein, 2001	PO Box 4844, Johannesburg, 2000
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AUDITORS

PwC	Waterfall City, 4 Lisbon Lane, Jukskei View, Midrand, 2090	Telephone +27 11 797 4000
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INVESTOR RELATIONS

Marijke Coetzee Director – Marketing and Communications	4th Floor, 11 9th Street, Houghton Estate, 2198	PO Box 522779, Saxonwold, 2132 investorenquiries@vukile.co.za
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MEDIA AND PUBLIC RELATIONS

Marijke Coetzee Director – Marketing and Communications and Anne Lovell	4th Floor, 11 9th Street, Houghton Estate, 2198	Telephone +27 11 288 000, +27 83 651 7777 anne@dmix.co.za
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